Sec. 1.001. PURPOSE OF CODE. (a) This code is enacted as a part of the state's continuing statutory revision program, begun by the Texas Legislative Council in 1963 as directed by the legislature in the law codified as Section 323.007, Government Code. The program contemplates a topic-by-topic revision of the state's general and permanent statute law without substantive change.

(b) Consistent with the objectives of the statutory revision program, the purpose of this code is to make the law encompassed by this code more accessible and understandable by:

(1) rearranging the statutes into a more logical order;
(2) employing a format and numbering system designed to facilitate citation of the law and to accommodate future expansion of the law;
(3) eliminating repealed, duplicative, unconstitutional, expired, executed, and other ineffective provisions; and
(4) restating the law in modern American English to the greatest extent possible.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1.002. CONSTRUCTION OF CODE. Chapter 311, Government Code (Code Construction Act), applies to the construction of each provision in this code except as otherwise expressly provided by this code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1.003. REFERENCE IN LAW TO STATUTE REVISED BY CODE. A reference in a law to a statute or a part of a statute revised by this code is considered to be a reference to the part of this code that revises that statute or part of that statute.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1.004. LIMITATION ON EXERCISE OF EMINENT DOMAIN POWER. An
entity governed by Title 6 and authorized by law to exercise the power of eminent domain may only exercise the power for a public use in accordance with Section 17, Article I, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 92 (S.B. 655), Sec. 1, eff. May 18, 2013.

Sec. 1.005. EFFECT OF NONSUBSTANTIVE REVISION ON CERTAIN EMINENT DOMAIN AUTHORITY. The revision by Chapter 112 (S.B. 1026), Acts of the 83rd Legislature, Regular Session, 2013, effective April 1, 2015, of a law regarding eminent domain authority, or any other nonsubstantive revision in this code of a law regarding eminent domain authority, does not affect any expiration of an entity's eminent domain authority that may have occurred under Section 2206.101, Government Code, on September 1, 2013.

Added by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 15.001(a), eff. June 19, 2015.

TITLE 2. ENVIRONMENT AND SANITATION
SUBTITLE A. SOLID WASTE MANAGEMENT
CHAPTER 21. UPPER SABINE VALLEY SOLID WASTE MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 21.001. DEFINITIONS. In this Act:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Upper Sabine Valley Solid Waste Management District.
(5) "Local government" means:
(A) a municipality;
(B) a county; or
(C) a water or other special district or authority acting under Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution.
(6) "Solid waste" has the meaning assigned by Section 361.003, Health and Safety Code.
(7) "Water" means groundwater, percolating or otherwise,
lakes, bays, ponds, springs, rivers, streams, creeks, and all other bodies of surface water, natural or artificial, that are wholly or partly in the district.

(8) "Water pollution" means alteration of the physical, chemical, or biological quality of water or contamination of water that:

(A) renders the water harmful, detrimental, or injurious to:
   (i) humans, animal life, vegetation, or property; or
   (ii) public health, safety, or welfare; or

(B) impairs the usefulness or the public enjoyment of the water for any lawful or reasonable purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.003. PURPOSE. The purpose of this chapter is to establish an instrumentality to develop and carry out a regional water quality protection program through solid waste management and regulation of waste disposal for Rains, Upshur, and Wood Counties and for the portion of Smith County that is north of Interstate Highway 20.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.004. FINDINGS AND DECLARATION OF POLICY. (a) The legislature finds that:

(1) the quality of water in East Texas is materially affected by the disposal of waste throughout the region;
(2) a regional effort to study water pollution, plan corrective and preventive measures, provide coordinated facilities for waste disposal, and regulate waste disposal is far more effective than efforts on a smaller scale;

(3) solid waste, as well as other waste, may impair water quality by seepage or drainage; and

(4) creation of the district would advance the established policy of this state to maintain the quality of the water in the state consistent with:

(A) public health and enjoyment;

(B) the propagation and protection of terrestrial and aquatic life;

(C) the operation of existing industries; and

(D) the economic development of the state.

(b) All area included in the district will benefit from the exercise of the power conferred by this chapter.

(c) The district is a public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.005. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and duties are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the impact on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT TERRITORY AND CHANGES TO DISTRICT TERRITORY

Sec. 21.051. DISTRICT TERRITORY. Unless the district territory has been modified under this subchapter, Subchapter J, Chapter 49,
Water Code, or other law, the district's territory consists of Rains, Upshur, and Wood Counties and the portion of Smith County north of Interstate Highway 20.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.052. ANNEXATION OF COUNTY; PETITION. (a) The board may annex an adjacent county in the manner provided by this section and Sections 21.053 and 21.055.

(b) To initiate annexation proceedings, the commissioners court of the adjacent county must petition the board requesting the board to call an election for the annexation of the petitioner's county. The petition must be in writing and be endorsed by a majority of the members of the commissioners court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.053. ANNEXATION PETITION HEARING; NOTICE. (a) On receipt of a petition under Section 21.052, the board shall set a date, time, and place to hold a hearing on the petition. The date may not be later than the 20th day after the date on which the board receives the petition.

(b) In addition to the notice required under the open meetings law, Chapter 551, Government Code, the board shall publish notice of the date, time, place, and purpose of the hearing in one or more newspapers with general circulation in the district and in the county to be annexed.

(c) Any person may testify at the hearing for or against annexation of the county to the district.

(d) At the conclusion of the hearing, the board shall determine if an annexation election should be held in the county to be annexed.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.054. EXCLUSION OF COUNTY. (a) The commissioners court
of a county in the district may petition the board to hold an
election in the county to determine if a majority of voters of that
county want to exclude the county from the district.

(b) If the district has not issued bonds or incurred other
long-term debt before the commissioners court filed the petition, the
board shall, on receipt of the petition, enter an order authorizing
the commissioners court to call an election in that county.

(c) If the district issued bonds or other long-term debt before
the commissioners court filed the petition, the board must obtain
adequate legal and financial assurances that, if the county withdraws
from the district, the county will assume and pay to the district the
county's proportionate share of the district's outstanding debt based
on assessed valuation of taxable property in the county and district.
After obtaining assurances the board considers adequate, the board
shall enter an order authorizing the commissioners court of that
county to call an election in that county to determine if the county
should be excluded from the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01,
eff. April 1, 2009.

Sec. 21.055. ELECTION ON ANNEXATION OR EXCLUSION OF COUNTY.
(a) Annexation or exclusion of a county is final when approved by a
majority of the voters at an election held in the county to be
annexed or excluded. An election in the existing district accepting
the addition of a county is not required.

(b) Section 41.001(a), Election Code, does not apply to an
election held under this section.

(c) The election ballots shall be printed to provide for voting
for or against the following, as applicable:

1) "Adding (description of county to be added) to the
   Upper Sabine Valley Solid Waste Management District."

2) "(Description of county to be added) assuming its
   proportionate share of the outstanding debts and taxes of the Upper
   Sabine Valley Solid Waste Management District, if it is added to the
district."

3) "The exclusion of ________________ County from the
   Upper Sabine Valley Solid Waste Management District and assumption by
   the county of a duty to pay its proportionate share of the
outstanding indebtedness of the district."

(d) If a district has outstanding debts or taxes, the voters in an election to approve the annexation must also determine if the annexed county will assume its proportion of the debts or taxes if added to the district.

(e) If the district has outstanding bonds or other long term obligations, the voters in the election to approve the exclusion must also determine if the excluded county will assume a duty to pay its proportion of the district's outstanding indebtedness.

(f) The board shall file a copy of the election results with the commission.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.056. CONTINUED BOND OBLIGATION FOR EXCLUDED COUNTY. The exclusion of a county under Section 21.054(c) does not relieve the district of its obligation to perform and observe the covenants and obligations or the conditions prescribed by the order or resolution authorizing the issuance of the district's bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 21.101. GOVERNING BODY; COMPOSITION. (a) The district is governed by a board of directors composed of at least six directors.

(b) If the district is composed of only one county, the commissioners court of that county shall appoint six persons to serve as directors.

(c) If the district is composed of two counties, the commissioners court of each county included in the district shall each appoint three persons to serve as directors.

(d) If the district is composed of three or more counties, the commissioners court of each county included in the district shall each appoint two persons to serve as directors.

(e) At least one of the directors appointed by each commissioners court shall represent the interests of municipalities and of unincorporated communities with a population of 1,000 or more
that are located in that county.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.102. APPOINTMENT OF DIRECTORS FROM ANNEXED COUNTY. (a) The commissioners court of an annexed county shall appoint two directors to serve on the board.
(b) The newly appointed directors shall draw lots to determine their initial terms of office. One new director shall serve an initial term that coincides with the terms of directors that expire before the expiration of two years and the other new director shall serve a term that expires after the expiration of two years but before the expiration of four years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.103. TERM. Except as provided by Section 21.102(b), a director serves a term of four years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.104. ELIGIBILITY TO SERVE. To be eligible to be appointed as or to serve as a director, a person must be:
(1) at least 18 years of age;
(2) a qualified voter; and
(3) a resident of the county governed by the appointing commissioners court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.105. VACANCY. A vacancy on the board shall be filled in the same manner as the original appointment for the unexpired term.
Sec. 21.106. DIRECTOR'S BOND. Each director must execute a $5,000 bond with a corporate surety authorized to do business in this state and conditioned on the faithful performance of the director's duties.

Sec. 21.107. TERM OF OFFICERS. A person selected as an officer serves for a term of one year.

Sec. 21.108. BYLAWS. The board shall adopt bylaws. The bylaws must prescribe the powers and duties of, and procedures for removal from, a board office.

Sec. 21.109. BOARD MEETINGS. Except as otherwise provided by law, the board shall meet at least one time each quarter and may meet at any other time provided by its bylaws.

Sec. 21.110. COMPENSATION. (a) Unless the board by resolution increases the rate of reimbursement to an amount authorized by Section 49.060, Water Code, a director other than a director described by Subsection (c) is entitled to receive $50 a day and reimbursement for actual and necessary expenses incurred for each day
the director:

(1) attends a board meeting; and

(2) attends to the business of the district that is authorized by board resolution or motion.

(b) A director is not entitled to receive a per diem allowance for more than 60 days in a calendar year.

(c) If a member of a commissioners court or a municipal government officer is appointed as a director, the member's or officer's service as a director is considered an additional duty of the member's or officer's existing office. The member or officer is not entitled to a per diem allowance under this section, but is entitled to reimbursement for actual and necessary expenses incurred in performing official duties as a director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.111. CONFLICT OF INTEREST IN CONTRACT. A director who is financially interested in a contract to be executed by the district for the purchase of property or the construction of facilities shall disclose that fact to the other directors and may not vote on the acceptance of the contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER D. ADMINISTRATIVE POWERS AND DUTIES

Sec. 21.151. PRINCIPAL OFFICE. The district shall maintain its principal office in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.152. GENERAL MANAGER. (a) The board shall employ a general manager for a term and salary set by the board.

(b) The general manager is the chief executive officer of the district. Under policies established by the board, the general manager is responsible to the board for:
(1) administering board directives;
(2) keeping district records, including minutes of the board's meetings;
(3) coordinating with state, federal, and local agencies;
(4) developing plans and programs for the board's approval;
(5) hiring, supervising, training, and discharging district employees;
(6) contracting for or retaining technical, scientific, legal, fiscal, and other professional services; and
(7) performing any other duty assigned to the general manager by the board.

(c) The board may discharge the general manager by a majority vote.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.153. EMPLOYEE AND GENERAL MANAGER FIDELITY BONDS. (a) The general manager and each district employee charged with the collection, custody, or payment of any district money shall execute a fidelity bond. The board shall approve the form, amount, and surety of the bond.

(b) The district shall pay the premiums on employee bonds under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.154. ATTORNEY. (a) The board may appoint an attorney for the district.

(b) The person appointed under this section is entitled to the compensation provided by the district's budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.155. RECORDS; LIMIT ON DISCLOSURE. (a) The district shall keep its accounts, contracts, documents, minutes, and other
records at its principal office.

(b) The board and its employees may not disclose a district record that relates to trade secrets or the economics of an industry's operations.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

**SUBCHAPTER E. GENERAL POWERS AND DUTIES**

Sec. 21.201. ADMINISTRATION, ENFORCEMENT, AND ACCOMPLISHMENT OF CHAPTER. (a) The district shall:

(1) administer and enforce this chapter; and

(2) use district facilities and powers to accomplish the purposes of this chapter.

(b) The district may advise, consult, contract, and cooperate with the federal government, the state, a local government, or a private entity to carry out any purpose or power under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.202. CONSERVATION AND RECLAMATION DISTRICT POWERS. Except as expressly limited by this chapter, the district has all powers, rights, and privileges necessary and convenient for accomplishing the purposes of this chapter that are conferred by general law on a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution, including the powers, rights, and privileges conferred by Subtitle B, Title 5, Health and Safety Code, on a local or regional government.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.203. RULES; HEARINGS. (a) The board, after notice and hearing, may adopt rules necessary to carry out this chapter.

(b) The board shall adopt rules establishing procedures for giving notice and holding a hearing.
Sec. 21.204. SCOPE OF DISTRICT'S REGULATORY POWER. The regulatory powers of the district under this chapter apply to each person in the district.

Sec. 21.205. PLANS. The district may prepare and adopt plans for and may purchase, construct, acquire, own, operate, maintain, repair, improve, and extend inside and outside district boundaries any works, improvements, waste disposal, treatment, and other facilities, plants, pipelines, equipment, and appliances necessary to collect, transport, process, dispose of, and control domestic, industrial, and communal waterborne and solid waste in the district.

Sec. 21.206. STUDIES AND RESEARCH. The district shall:
(1) study and research the control of water pollution and waste disposal in the district;
(2) cooperate with the commission in any study; and
(3) use the results of the studies.

Sec. 21.207. COOPERATIVE AGREEMENTS WITH OTHER POLITICAL SUBDIVISIONS. The district may enter into a cooperative agreement with a local government or other political subdivision to:
(1) jointly conduct solid waste management activities; and
(2) charge reasonable fees for solid waste management activities.
Sec. 21.208. GIFTS, GRANTS, AND LOANS. The district may apply for, accept, receive, and administer gifts, grants, loans, and other money available from any source to carry out any purpose or power under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.209. ACQUISITION OF PROPERTY. The district may acquire by gift, grant, devise, purchase, lease, or the exercise of the power of eminent domain any land, easement, right-of-way, or other property interest necessary to carry out the powers and duties under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.210. EMINENT DOMAIN; COST OF RELOCATING PROPERTY. (a) The district may exercise the power of eminent domain to acquire land for a purpose authorized by Section 21.205 if the board determines, after notice and hearing, that it is necessary.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, but the district is not required to:

(1) deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code;

(2) pay in advance or give bond or other security for costs in the trial court;

(3) give bond for the issuance of a temporary restraining order or a temporary injunction; or

(4) give bond for costs or supersedeas on an appeal or writ of error.

(c) If the district, in the exercise of the power of eminent domain, requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway,
pipeline, or electric transmission and electric distribution, telegraph, or telephone lines, conduits, poles, or facilities, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.211. ENTRY ON LAND. (a) A district director, engineer, or employee may go on any land inside or outside the district to survey and examine the land with reference to the location of works, improvements, and waste disposal, treatment, and other facilities, plants, pipelines, equipment, and appliances, and to attend to district business.

(b) The director, engineer, or employee must give the landowner five days' written notice before entering on the land.

(c) If any district activity on the land causes damage to the land or property, the district shall restore the land or property as nearly as possible to its original state. The district shall pay the restoration's cost.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.212. ROAD RIGHT-OF-WAY. A governmental entity having jurisdiction over a right-of-way along and across a public state or county road or highway may:

(1) designate the placement of district facilities located on the right-of-way; and

(2) require the relocation of district facilities to accommodate widening or changing traffic lanes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.213. CONSENT FOR CHANGE OR DAMAGE TO STATE PROPERTY.
The district must obtain the written consent of the governmental entity having control and jurisdiction over state property, including a facility, before the district may proceed with an action to change or damage the property.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.214. BIDS ON CONTRACTS FOR PURCHASE OF VEHICLES, EQUIPMENT, AND SUPPLIES OVER $15,000; EXCEPTION. (a) If the estimated amount of a proposed contract to purchase vehicles, equipment, or supplies is more than $15,000, the board shall ask for competitive bids as provided by Subchapter B, Chapter 271, Local Government Code.

(b) This section does not apply to:
(1) the purchase of property from a public agency; or
(2) a contract for personal or professional services.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER F. CONSTRUCTION, RENOVATION, AND REPAIR CONTRACTS

Sec. 21.251. AUTHORITY TO ENTER INTO CONSTRUCTION, RENOVATION, AND REPAIR CONTRACTS. The district may contract with any person to construct, renovate, repair, or make improvements to any district works, improvements, waste disposal, treatment, or other facilities, plants, pipelines, equipment, and appliances.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.252. BIDS ON CONTRACTS OVER $15,000. The district may enter into a contract under Section 21.251 that requires an expenditure of more than $15,000 only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.
Sec. 21.253. CONTRACT SPECIFICATIONS, PLANS, AND DETAILS. A contract under Section 21.251 must contain, or have attached to it, the specifications, plans, and details for work included in the contract. The work shall be done according to the plans and specifications under the supervision of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.254. EXECUTION AND AVAILABILITY OF CONTRACTS. (a) A contract under Section 21.251 must be in writing and signed by:
(1) the contractor; and
(2) a district representative designated by the board.

(b) The contract shall be kept in the district's office and must be available for public inspection.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.255. CONTRACTOR'S BOND. (a) A contractor shall execute a bond:
(1) in an amount determined by the board, not to exceed the contract price;
(2) payable to the district and approved by the board; and
(3) conditioned on the faithful performance of the contract.

(b) The bond must provide that a contractor pay to the district all damages sustained as a result of the contractor's default on the contract.

(c) The bond shall be deposited in the district's depository. A copy of the bond shall be kept in the district's office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.256. BOARD CONTROL AND DETERMINATION. (a) The board
has control of construction, renovation, or repairs being done for
the district under a contract under Section 21.251.

(b) The board shall determine whether the contract is being
fulfilled.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01,
eff. April 1, 2009.

Sec. 21.257. INSPECTION OF WORK. (a) The board shall have the
work contracted for under Section 21.251 inspected by engineers,
inspectors, and personnel of the district.

(b) During the progress of the contracted work, the engineers,
inspectors, and personnel shall submit to the board written reports
that show whether the contractor is complying with the contract.

(c) On completion of the contracted work, the engineers,
inspectors, and personnel shall submit to the board a final detailed
written report that includes information necessary to show whether
the contractor has fully complied with the contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01,
eff. April 1, 2009.

Sec. 21.258. PAYMENTS FOR WORK. (a) The district shall pay
the contract price of a construction, renovation, or repair contract
in accordance with this section.

(b) The district shall make monthly progress payments under a
contract as the work proceeds or at more frequent intervals as
determined by the board.

(c) To provide a basis for determining progress payments, the
contractor, on the request of the board, shall furnish, in the detail
requested, an analysis of the total contract price showing the amount
included for each principal category of the work.

(d) In making progress payments, the board shall retain 10
percent of the estimated amounts until final completion and
acceptance of the contract work. The board may authorize any of the
remaining progress payments to be made in full if:

1) the board finds that satisfactory progress is being
made; and

2) at least 50 percent of the work has been completed.
(e) If the work under a contract is substantially complete and the board finds the amount retained to be in excess of the amount adequate for the protection of the district, the board may release to the contractor all or part of the excess amount.

(f) On completion and acceptance of each separate project, work, or other division of the contract on which the price is stated separately in the contract, payment may be made without retention of a percentage.

(g) When work is completed according to the contract, the board shall draw a warrant on the depository to pay any balance due on the contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER G. WASTE DISPOSAL

Sec. 21.301. ACQUISITION OF EXISTING FACILITIES. If the district acquires existing works, improvements, and waste disposal, treatment, and other facilities, plants, pipelines, equipment, and appliances that are completed, partially completed, or under construction, the district may:

(1) assume the contracts and obligations of the previous owner; and

(2) perform the obligations of the previous owner in the same manner and to the same extent that any other purchaser or assignee would be bound.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.302. SOLID WASTE RECOVERY FACILITY. The district may construct or acquire and operate a facility used to store, handle, sort, bail, recycle, process, and recover solid waste.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.303. STANDARDS FOR SOLID WASTE HANDLING. (a) The
district shall establish minimum standards of operation for all aspects of solid waste handling, including:

(1) storage;
(2) collection;
(3) incineration;
(4) recycling;
(5) sanitary landfill; and
(6) composting.

(b) Before establishing the standards, the district must:

(1) hold public hearings after giving public notice in the time and manner prescribed by board rule;
(2) consult with the commission to ensure that the standards are not inconsistent with established criteria; and
(3) find that the standards are reasonably necessary to protect the public health or welfare from water pollution or other harm to the environment.

(c) To amend the standards, the district must follow the same procedures required for establishing standards.

(d) The board may adopt rules reasonably necessary to implement solid waste disposal standards.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.304. MANAGEMENT OF MUNICIPAL SOLID WASTE. (a) The district may assume the exclusive authority to exercise the powers granted to a county under Section 361.165, Health and Safety Code, including the power to issue licenses and exercise municipal solid waste management authority.

(b) If the district exercises the licensing authority granted under this section, the district must adopt and enforce rules for the management of municipal solid waste.

(c) A rule adopted under this section must be:

(1) compatible with and at least as stringent as those of the commission; and
(2) approved by the commission.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.
Sec. 21.305. ON-SITE SEWAGE DISPOSAL SYSTEMS.  (a) The district may apply to the commission for designation as an authorized agent to implement and enforce on-site sewage disposal rules under Chapter 366, Health and Safety Code.

(b) If the district finds that due to the nature of the soil or drainage in the area it is necessary to prevent water pollution that may injure the public health, the board by rule may:

(1) provide limits on the number and kind of septic tanks in an area defined by the rule;

(2) prohibit the use of septic tanks in the area; or

(3) prohibit the installation of new septic tanks in the area.

(c) The board shall consult with the commission before the adoption of a rule under Subsection (b).

(d) The board may not adopt a rule under Subsection (b) without first holding a public hearing in the area to be affected by the rule.

(e) The board by order may provide for a gradual and systematic reduction of the number or kind of septic tanks in the area and, by rule, may provide for a system to license and issue permits for the installation of new septic tanks in the area affected. If the board adopts a license and permit system, a person may not install a septic tank in the area without a license or permit from the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.306. ACQUISITION, CONSTRUCTION, AND OPERATION OF DISPOSAL SYSTEMS. The district may:

(1) acquire and provide by purchase, gift, or lease a disposal system in the district or in a county adjacent to the district;

(2) construct and provide a disposal system in the district or in a county adjacent to the district;

(3) operate or sell a disposal system that it constructs or acquires;

(4) contract with a person to operate and maintain a disposal system belonging to the person; and

(5) contract with a person to train or supervise employees
of a disposal system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.307. WASTE DISPOSAL CONTRACTS. (a) The district may contract to receive and to treat or dispose of waste from a person in the district.

(b) The district shall set fees in the contract after considering:

1. the quality of the waste;
2. the quantity of the waste;
3. the difficulty encountered in treating or disposing of the waste;
4. operation and maintenance expenses and debt retirement services; and
5. any other reasonable consideration.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER H. GENERAL FINANCIAL PROVISIONS

Sec. 21.351. ACCOUNTING. The district shall keep complete and accurate accounts of its business transactions in accordance with generally accepted methods of accounting.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.352. ANNUAL BUDGET. (a) The district's annual budget must contain a complete financial statement, including a statement of:

1. the outstanding district obligations;
2. the amount of cash on hand to the credit of each district fund;
3. the amount of money received by the district from all sources during the previous year;
4. the amount of money available to the district from all
sources during the ensuing year;

(5) the amount of the balances expected at the end of the year in which the budget is being prepared;

(6) the estimated amount of revenue and balances available to cover the proposed budget; and

(7) the estimated tax rate that will be required.

(b) The board may amend the budget after adoption.

(c) The district may not spend money for an expense not included in the annual budget or an amendment to it unless the board by order declares the expense to be necessary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.353. SWORN STATEMENT REGARDING MONEY AND DISBURSEMENTS. As soon as practicable after the close of the fiscal year, the district treasurer shall prepare for the board a sworn statement of:

(1) the amount of money that belongs to the district; and

(2) an account of the disbursement of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.354. DEPOSITORY. (a) The board shall name one or more banks to serve as depository for the district's money.

(b) District money, other than money transmitted to a bank for payment of bonds issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) Before the district deposits money in a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation, the bank must execute a bond or provide other security in an amount sufficient to secure from loss the amount of the district's deposits that exceed the amount secured by the Federal Deposit Insurance Corporation.

(d) This section does not limit the board's power to invest the district's money as provided by Subchapter A, Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01,
Sec. 21.355. INVESTMENTS. (a) The board may place district money in a certificate of deposit of a state or national bank or a state or federal savings and loan association in this state if the money is secured in the manner required for the security of county funds.

(b) The board by resolution may provide that an authorized representative may invest and reinvest district money and provide for money to be withdrawn from the appropriate district accounts for investments on terms the board considers advisable.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.356. PAYMENT OF EXPENSES. (a) The board may pay:

(1) costs and expenses necessarily incurred in the district's operation;

(2) legal fees; and

(3) other incidental expenses.

(b) The board may reimburse a person for money advanced for a payment described by Subsection (a).

(c) A payment may be made from the proceeds of district bonds, taxes, or fees or from other district revenue.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.357. BORROWING MONEY. The district may borrow money for any purpose authorized by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.358. PAYMENT OF JUDGMENTS. A court of this state that renders a money judgment against the district may require the board to pay the judgment from money in the district depository that is not
dedicated to the payment of any district debt.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

**SUBCHAPTER I. BONDS**

Sec. 21.401. AUTHORITY TO ISSUE BONDS. The board may issue and sell bonds in the district's name to acquire land and construct works, improvements, and waste disposal, treatment, and other facilities, plants, pipelines, equipment, and appliances as provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.402. BOND PAYMENT. The board may provide for the payment of the principal of and interest on the bonds:

(1) from the imposition of property taxes on all taxable property in the district;
(2) by pledging all or part of the designated revenue from the ownership or operation of the district's works, improvements, and facilities; or
(3) from a combination of the sources listed by Subdivisions (1) and (2).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.403. BOND ELECTION. (a) The district may not issue bonds until the issuance is approved by a majority of voters voting in the district at an election held for that purpose.

(b) The board may order a bond election. The order calling the election must state:

(1) the hours during which the polls will be open;
(2) the location of the polling places;
(3) the amount of bonds to be authorized; and
(4) the maximum maturity of the bonds.

(c) At an election to authorize bonds, the ballot must be
printed to provide for voting for or against the issuance of bonds and the imposition of property taxes for payment of the bonds.

(d) If a majority of the votes cast at the election favor the issuance of the bonds, the bonds may be issued by the board. If a majority of the votes cast at the election do not favor issuance of the bonds, the bonds may not be issued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.404. MATURITY OF BONDS. District bonds may mature not more than 50 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.405. SIGNATURE. District bonds must be signed and executed as provided by the board in the resolution or order authorizing the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.406. BOND PROVISIONS. (a) In an order or resolution authorizing the issuance of bonds, including refunding bonds, the board may:

(1) provide for the flow of money;
(2) provide for the establishment and maintenance of an interest and sinking fund, a reserve fund, and other funds; and
(3) prohibit the further issuance of bonds or other obligations payable from the pledged fees or reserve the right to issue additional bonds to be secured by a pledge of and payable from the pledged fees on a parity with or subordinate to the pledge in support of the bonds being issued; and
(4) provide for other provisions as the board determines.

(b) The board may adopt and have executed any other proceeding or instrument necessary and convenient in the issuance of bonds.
Sec. 21.407. MANDAMUS BY BONDHOLDERS. A holder of a district bond is entitled, in addition to any other right or remedy provided by law, to a writ of mandamus requiring the district and its officials to observe and perform any covenant, condition, or obligation provided by the order or resolution authorizing issuance of the bond that the district fails to observe or perform, including:

(1) a default in the payment of principal, interest, or redemption price on the bond when due; and

(2) a failure to make payment into any fund created in the order or resolution.

Sec. 21.408. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Sec. 21.409. TAX EXEMPTION. District bonds, transactions relating to the bonds, and profits made in the sale of the bonds are exempt from state taxation or taxation by a municipality, county, special district, or other political subdivision of the state.
SUBCHAPTER J. TAXES

Sec. 21.451. AUTHORITY TO IMPOSE PROPERTY TAXES. The board annually may impose a tax on all property in the district subject to district taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.452. AMOUNT OF TAX. (a) The amount of tax imposed by the board must be in an amount necessary to pay:

(1) the principal of and interest on district bonds; and
(2) the expense of assessing and collecting taxes.

(b) The district may impose a maintenance and operating tax in an amount not to exceed three cents on each $100 of assessed valuation of property in the district to pay the district's maintenance and operating expenses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.453. TAX RATE. In setting the tax rate, the board shall take into consideration the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.454. TAX COLLECTOR. The board may:

(1) provide for the appointment of a tax collector for the district; or
(2) contract for the collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1001. CITY OF AMARILLO HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1001.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of hospital managers of the district.
(2) "District" means the City of Amarillo Hospital District.
(3) "Governing body" means the governing body of the City of Amarillo.
(4) "Manager" means a member of the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.002. NATURE OF DISTRICT. (a) The district is:
(1) a public entity performing an essential public function; and
(2) a body politic and corporate.
(b) The functions of the district are governmental and public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.003. DUTY TO NAME DISTRICT. The governing body shall specify the name of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the City of Amarillo unless the district territory is expanded under:
(1) Subchapter D; or
(2) other law.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1001.051. BOARD; TERM.  (a) The board consists of not fewer than five and not more than seven managers appointed by the governing body.
   (b) Managers serve two-year terms unless four-year elected terms are established under Section 285.081, Health and Safety Code. The terms may overlap.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.052. MANAGER REMOVAL. By majority vote, the governing body may remove a manager with or without cause.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.053. OFFICERS.  (a) The board shall select from among the managers a presiding officer.
   (b) The presiding officer shall preside over the board. A presiding officer pro tem shall preside in the absence of the presiding officer.
   (c) The district administrator or any manager may be appointed secretary.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.054. COMPENSATION. A manager serves without pay.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.055. RECORDS OF PROCEEDINGS.  (a) The secretary shall keep suitable records of all proceedings of each board meeting.
(b) After each meeting:
   (1) the presiding officer or the presiding officer pro tem shall read and sign the record; and
   (2) the secretary shall attest the record.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.056. DISTRICT ADMINISTRATOR. (a) The board shall:
   (1) appoint a person qualified by training and experience as district administrator; and
   (2) determine the administrator's compensation.

(b) The board may remove the district administrator at any time.

(c) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount of not less than $10,000 that:
   (1) is conditioned on the administrator performing well and faithfully the administrator's required duties; and
   (2) contains other conditions the board may require.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.057. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
   (1) perform the duties required by the board;
   (2) supervise the work and activities of the district; and
   (3) direct the affairs of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.058. ASSISTANT ADMINISTRATOR. (a) The board may designate an assistant administrator to discharge a duty or function of the district administrator in the event of the administrator's incapacity, absence, or inability to discharge the duty or function.
(b) The assistant administrator shall post the bond required by board order.

(c) The assistant administrator is subject to the limitations prescribed by board order.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.059. LEGAL COUNSEL. (a) The attorneys who represent the City of Amarillo in civil matters may represent the board in all legal matters.

(b) The district shall contribute sufficient money to the City of Amarillo's account designated for the attorneys of the city to pay all additional salaries and expenses incurred by the attorneys in performing the duties required by the district.

(c) The board may employ legal counsel selected by the board if the board considers the employment advisable.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.060. EMPLOYEES. (a) The board may employ doctors, nurses, technicians, and other employees considered advisable for the efficient operation of the hospital or hospital system.

(b) The board may delegate to the district administrator the authority to hire district employees.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.061. PHYSICIAN QUALIFICATION. The board may use district money to ensure the initial and continued qualification of physicians and other personnel.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1001.062. HEALTH CARE EDUCATIONAL PROGRAMS. (a) The board may spend district money, enter into an agreement, or take other necessary action to conduct, participate in, or assist in providing health care educational programs for:

(1) the public; or

(2) current or potential medical staff members or district employees.

(b) The board may contract with West Texas A&M University or another educational institution for:

(1) the coordination of educational programs in recognized health care professions, including pharmacy, nursing, and allied health professions, to be conducted by each; and

(2) cooperative funding of the educational programs.

(c) The district may provide services, money, or equipment and may make district facilities available to West Texas A&M University or another educational institution for clinical instruction, research, or degree programs.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.063. RETIREMENT PROGRAM. The board may establish or continue a retirement program for the benefit of the district's employees or contract with this state or the federal government for that purpose.

Added byActs 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.064. LIABILITY INSURANCE. The board may purchase insurance to protect the managers from any liability that results from service on the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.065. SEAL. The board may use a seal engraved with the district's name to authenticate the acts of the board. The
secretary of the board shall keep the seal.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1001.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.102. RESTRICTION ON MUNICIPAL OR COUNTY TAXATION. The City of Amarillo or a county may not impose a tax for hospital purposes on property within the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. (a) The board shall manage, control, and administer the hospital or hospital system.

(b) The Potter County Commissioners Court may participate in the operation of the district on terms agreed on by the governing body acting for the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.104. HOSPITAL SYSTEM. (a) The district may own and operate a hospital or hospital system for indigent and needy persons.

(b) The district may provide for the establishment of a hospital or hospital system to provide medical aid and hospital care to indigent and needy persons residing in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
Sec. 1001.105. RULES. The board may adopt rules for the operation of the hospital or hospital system.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The governing body may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

(b) The governing body by resolution or order may delegate to the board a power described by Subsection (a).

(c) The district shall pay the salaries and expenses necessarily incurred by the City of Amarillo or by an officer or agent of the City of Amarillo in performing a duty prescribed or required by this section.

(d) An officer, employee, or agent of the City of Amarillo shall perform any function or service prescribed by the governing body under this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.107. ELIGIBILITY STANDARDS; PRICING. (a) Not later than the first day of each fiscal year, the board shall adopt requirements for the district to use in determining whether a person is eligible for hospital, medical, or health care assistance from the district.

(b) The board shall determine the price charged for district services and products and for the use of district facilities.

(c) The board may use the pricing methods the board considers advisable, including discount and per diem pricing.

(d) The board shall adopt an application procedure specifying the documentation required to support an application for assistance.
Sec. 1001.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The district may purchase or lease land inside or outside the district as required for district purposes.
(b) Subject to Subsection (c), the district may sell or lease land owned by the district at public or private sale.
(c) The district may not sell or lease real property until the governing body determines that:
(1) the property is no longer required for district purposes; or
(2) the grantee or lessee will use the property for hospital purposes or for purposes incidental and necessary to hospital purposes.

Sec. 1001.109. EMINENT DOMAIN.
(a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory if the property interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:
(1) pay in advance or provide bond or other security for costs in the trial court;
(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.
April 1, 2007.

Sec. 1001.110. GIFTS AND ENDOWMENTS. (a) The board may accept for the district a gift or endowment to be held in trust or otherwise and administered by the board for any purpose and under any direction, limitation, or provision prescribed in writing by the donor that is not inconsistent with the proper management and objectives of the district.

(b) The board may establish a foundation or nonprofit corporation for the purposes of this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.111. CONTRACTS FOR SERVICES TO CERTAIN PERSONS. Subject to the approval of the governing body, the board may contract with:

(1) a county or municipality for the care and treatment of a sick or injured person of that county or municipality; and

(2) this state or a federal agency for the care and treatment of a person for whom the state or agency is responsible.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.112. JOINT ADMINISTRATION OR DELIVERY OF HEALTH CARE SERVICES. To provide joint administration or delivery of health care services, the district may affiliate with or enter into an arrangement with:

(1) a managed care system;

(2) a preferred provider organization;

(3) a health maintenance organization;

(4) a provider of an alternative health care or delivery system; or

(5) a private hospital.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1001.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient from Potter County or the district has been admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:
   (1) the patient; and
   (2) the patient's relatives who are legally liable for the patient's support.
   (b) If the district administrator determines that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount for the patient's support.
   (c) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.114. REIMBURSEMENT FOR SERVICES TO NONRESIDENTS. (a) The board shall require a county, municipality, or public hospital located outside the boundaries of the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or hospital, as provided by Chapter 61, Health and Safety Code.
   (b) The board shall require the sheriff or police chief of a county or municipality to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of the county or municipality and is not a resident of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.115. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued in the name of the district.
SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1001.151. PETITION TO EXPAND DISTRICT TERRITORY. (a) Registered voters of a defined territory not included in the district may file a petition with the board requesting inclusion of the territory in the district.

(b) The petition must be signed by at least 50 registered voters of the territory or a majority of those voters, whichever is fewer.

Sec. 1001.152. NOTICE OF HEARING. (a) The board by order shall set a time and place to hold a hearing on a petition to include a defined territory in the district.

(b) The hearing shall be held at least 30 days after the date the board issues the order.

(c) The board shall notify the governing body of the hearing.

Sec. 1001.153. ORDER OF ANNEXATION. (a) If, after a hearing under Section 1001.152, the board and the governing body determine that annexation of a defined territory into the district would benefit the district, the board and the governing body may approve the annexation by a resolution entered in their minutes.

(b) The board and the governing body are not required to include all territory described in the petition if the board and the governing body find that including only a portion of the territory is necessary or desirable.
Sec. 1001.154. RATIFICATION ELECTION. (a) Annexation of territory is final when approved by a majority of the voters at:
(1) an election held in the district; and
(2) a separate election held in the territory to be annexed.
(b) The election shall be held not earlier than the 45th day and not later than the 60th day after the date the election is ordered.
(c) The election may be called by the governing body on its own motion.
(d) The election order must state:
(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.
(e) The election shall be conducted by the persons responsible for conducting citywide elections in the City of Amarillo. The district shall:
(1) pay the City of Amarillo for the cost of an election held under this section; and
(2) provide for the payment before the governing body orders the election.
(f) Section 41.001(a), Election Code, does not apply to an election held under this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.155. NOTICE OF RATIFICATION ELECTION. (a) The governing body shall give notice of an election under Section 1001.154 by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in:
(1) the district; and
(2) the territory proposed to be added to the district.
(b) The first publication of the notice must appear at least 35 days before the date of the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
Sec. 1001.156. ASSUMPTION OF DEBT AND TAXES. If the district has outstanding debts or taxes, the voters in an election to approve annexation under Section 1001.154 must determine whether the annexed territory will assume its portion of the debts or taxes on annexation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.157. BALLOT. The ballot for an election under Section 1001.154 shall be printed to permit voting for or against the following, as applicable:

(1) "Adding (description of territory to be annexed) to the City of Amarillo Hospital District and authorizing the governing body of the City of Amarillo to impose annual taxes to support the City of Amarillo Hospital District at a rate not to exceed 75 cents on each $100 valuation of taxable property in the territory to be annexed."

(2) "(Description of territory to be annexed) assuming its proportionate share of the outstanding debts and taxes of the City of Amarillo Hospital District, if the territory is added to the district."

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER E. EXPANSION OF SERVICE INTO RANDALL COUNTY

Sec. 1001.201. ELECTION ON EXPANSION OF SERVICE. (a) On presentation of a petition for an authorization election signed by at least five percent of the qualified voters of Randall County who do not reside within the boundaries of the City of Amarillo or the South Randall County Hospital District, the Randall County Commissioners Court shall call an election to authorize:

(1) the City of Amarillo Hospital District to serve the residents of that designated area of Randall County; and

(2) the Randall County Commissioners Court to impose a tax
to support the district at a rate not to exceed 75 cents on each $100 valuation of all property in the area.

(b) An election authorized under this section shall be held not later than the 60th day after the date the election is ordered.

(c) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.202. BALLOT. The ballot for an election under this subchapter shall be printed to permit voting for or against the proposition: "The assumption by the City of Amarillo Hospital District of the duty to serve Randall County residents who do not reside within the boundaries of the City of Amarillo or the South Randall County Hospital District, and the imposition of annual taxes to support the Amarillo Hospital District at a rate not to exceed 75 cents on each $100 valuation of taxable property in the proposed area to be served."

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.203. ELECTION RESULTS. If a majority of the votes in an election under this subchapter favor the expansion proposition:

(1) the district, by resolution, shall assume:

(A) the duty to serve the designated area of Randall County; and

(B) the responsibility of Randall County to provide medical and hospital care to the indigent and needy inhabitants of that area; and

(2) the Randall County Commissioners Court shall impose a tax sufficient to pay the costs, as determined by the board, of providing medical and hospital care to the indigent and needy residents of that area.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1001.204. TAXES. A tax imposed by the Randall County Commissioners Court under this subchapter may not exceed 75 cents on each $100 valuation of all property in Randall County that is not within the boundaries of the City of Amarillo or the South Randall County Hospital District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.205. PARTICIPATION IN OPERATION OF DISTRICT. The Randall County Commissioners Court and the governing body, acting for the board, may agree on terms under which the commissioners court may participate in the operation of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.206. CUMULATIVE EFFECT. This subchapter and Subchapter F are cumulative of any other law establishing the manner in which Randall County, or any portion of Randall County, may participate in, be annexed to, or otherwise be served by the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER F. DISCONTINUATION OF SERVICE TO RANDALL COUNTY TERRITORY

Sec. 1001.251. ELECTION ON DISCONTINUATION OF SERVICE. (a) On presentation of a petition for a discontinuation election signed by at least five percent of the qualified voters of the area receiving services under Subchapter E, the Randall County Commissioners Court shall call an election to discontinue:

(1) the provision of services by the district; and
(2) the imposition of taxes to support the district.

(b) The election shall be held not later than the 60th day after the date the election is ordered.

(c) Section 41.001(a), Election Code, does not apply to an election ordered under this section.
Sec. 1001.252. BALLOT. The ballot for an election under this subchapter shall be printed to provide for voting for or against the proposition: "Discontinuation by the City of Amarillo Hospital District of the duty to provide services and discontinuation of the imposition of taxes to support the district."

Sec. 1001.253. ELECTION RESULTS. If a majority of the votes in an election favor the proposition to discontinue service under this subchapter, the district is relieved of the duty to provide medical and hospital care to the indigent and needy residents of the area receiving services in Randall County and shall cease providing the services.

Sec. 1001.254. TAXES. The district is entitled to receive taxes from the area in which services are discontinued under this subchapter in an amount sufficient to pay expenses incurred by the district in serving the area residents before the date services were discontinued.

SUBCHAPTER G. GENERAL FINANCIAL PROVISIONS

Sec. 1001.301. BUDGET. (a) The district administrator, under the direction of the board, shall prepare an annual budget.

(b) The governing body and the board shall:

(1) provide in each annual budget for the payment of all operation and maintenance expenses of the district; and
(2) consider the estimated excess revenues and income from hospital facilities available for paying the operation and maintenance expenses after providing for the principal, interest, and reserve requirements of revenue bonds issued for the district.
(c) The budget must be approved by the board and presented to the governing body for final approval.
(d) The governing body must approve all budget revisions.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.302. FINANCIAL REPORT. (a) As soon as practicable after the close of each fiscal year, the district administrator shall prepare a report that includes:
(1) a complete sworn statement of:
   (A) all money and choses in action received by the administrator; and
   (B) how the money and choses in action were disbursed or otherwise disposed; and
(2) the details of district operation during the preceding fiscal year.
(b) The district administrator shall make the report to:
(1) the board;
(2) the governing body;
(3) the Potter County Commissioners Court;
(4) the Texas Board of Health; and
(5) the comptroller.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.303. DEPOSITORY. (a) The board shall select one or more depositories for the district in the manner provided by law for the selection of a county depository.
(b) A depository selected by the board shall be the depository of the district until one or more successors are selected and qualified.
(c) All income received by the district, including tax revenue after deducting discounts and fees for assessing and collecting the
taxes, shall be deposited with the hospital depository and may be withdrawn only as provided by this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

**SUBCHAPTER H. BONDS**

Sec. 1001.351. GENERAL OBLIGATION BONDS. The governing body may issue and sell general obligation bonds in the name and on the faith and credit of the district to purchase, construct, acquire, equip, or enlarge the hospital or hospital system.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.352. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The governing body shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the general obligation bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.353. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting at an election held according to the law relating to municipal bonds.

(b) The governing body shall call the election at the request of the board and may also call the election on its own motion.

(c) The person charged with conducting and arranging citywide elections is responsible for conducting the bond election.

(d) The district shall pay the cost of a bond election. The district must provide for the payment of election costs before the governing body is required to order an election.
Sec. 1001.354. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The mayor of the City of Amarillo shall execute the general obligation bonds in the district's name.

(b) The city secretary shall countersign the bonds.

Sec. 1001.355. INVESTMENT OF GENERAL OBLIGATION BOND PROCEEDS. Proceeds from the sale of general obligation bonds may be invested in direct obligations of the United States government.

Sec. 1001.356. REVENUE BONDS. (a) The governing body may issue and sell revenue bonds for and in the name of the district to:

1. purchase, construct, acquire, repair, renovate, improve, enlarge, or equip hospital facilities; or
2. acquire real or personal property for use in connection with the hospital facilities.

(b) A revenue bond issued under this section is a special obligation of the district.

(c) A revenue bond issued under this section must mature not later than 40 years after the date of issuance. The total principal of revenue bonds issued and outstanding may not exceed $20 million.

(d) Under the terms prescribed in an ordinance authorizing the issuance of revenue bonds, the governing body may provide for the subsequent issuance of additional parity bonds, subordinate lien bonds, or other types of bonds.
Sec. 1001.357. PAYMENT OF REVENUE BONDS; SECURITY. (a) The governing body may:

(1) issue revenue bonds payable from and secured by liens on and pledges of all or any part of the revenues and income, other than ad valorem taxes, derived by the district from the operation and ownership of hospital facilities; and

(2) pledge to the payment of revenue bonds all or any part of a grant, donation, or income received or to be received from the United States or any other public or private source.

(b) The bonds may be additionally secured by a mortgage or deed of trust on any real property on which a district hospital facility is or will be located and any real or personal property incident or appurtenant to the facility. The governing body may authorize the execution and delivery of a trust indenture, mortgage, deed of trust, or other form of encumbrance to evidence the security interest.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.358. USE OF REVENUE BOND PROCEEDS. (a) If permitted in the bond ordinance, any required part of the proceeds from the sale of the revenue bonds may be used to:

(1) pay interest on the bonds during the construction of a hospital facility to be provided through the issuance of the bonds;

(2) pay operation and maintenance expenses of the facility to the extent and for the time specified in the bond ordinance; and

(3) create reserves for the payment of the principal of and interest on the bonds.

(b) The proceeds of the bonds may be invested until needed to the extent and in the manner provided by the bond ordinance.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.359. CHARGE FOR OCCUPANCY OR USE OF HOSPITAL FACILITY. The governing body and the board shall establish and collect charges for the occupancy or use of a hospital facility and for related services in the amounts and manner determined by the board. The charges shall be set and collected in amounts at least
sufficient with any other pledged resources to:

(1) pay the principal of, interest on, and any other amounts required in relation to the bonds issued by the district; and

(2) to the extent required by the bond ordinance, pay all or any part of the operation, maintenance, and other expenses of the hospital facility.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.360. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding general obligation bonds issued or assumed by the district.

(b) Refunding bonds may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the bonds to be refunded; or

(2) exchanged in whole or in part for not less than a like amount of bonds to be refunded and the matured but unpaid interest on those bonds.

(c) The refunding bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.361. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) a transaction relating to the bonds; and

(3) profits made in the sale of the bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER I. TAXES

Sec. 1001.401. IMPOSITION OF AD VALOREM TAX. (a) The governing body shall impose on all taxable property in the district,
for the benefit of the district, a tax at a rate not to exceed 75 cents on each $100 valuation of the property.

(b) The governing body shall impose the tax at the same time taxes are imposed for municipal purposes, using the municipal appraisal roll.

(c) The tax may be used to:
   (1) pay the interest on and create a sinking fund for bonds assumed or issued by the district for hospital purposes as provided by this chapter;
   (2) provide for the operation and maintenance of the hospital or hospital system; and
   (3) when requested by the board and approved by the governing body, make improvements and additions to the hospital system and acquire necessary sites by purchase, lease, or condemnation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.402. DUTY TO IMPOSE TAX. (a) The ordinance authorizing the issuance of revenue bonds may pledge the proceeds of an annual ad valorem tax for the payment of the district's operation and maintenance expenses.

(b) If the annual ad valorem tax is pledged, the governing body shall, during each year during which the bonds are outstanding, compute a tax rate sufficient to pay the operation and maintenance expenses. The tax rate shall be based on the most recent certified appraisal roll of the district.

(c) The ad valorem tax shall be imposed on all taxable property in the district for each year the bonds are outstanding. The tax shall be assessed and collected each year and used for the purpose prescribed by this section to the extent required.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.403. POTTER COUNTY TAX. (a) The Potter County Commissioners Court may impose an ad valorem tax on all property inside the county and outside the boundaries of the City of Amarillo
to provide financial aid to the district.

(b) The tax may not exceed 10 cents on each $100 valuation of all taxable property described by Subsection (a).

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.404. TAX ASSESSOR-COLLECTOR. (a) The tax assessor and collector for the City of Amarillo shall collect taxes imposed on all property subject to district taxation in the same manner and under the same conditions as for city taxes.

(b) From payments to the district, the tax assessor and collector shall deduct fees for assessing and collecting the tax. The fee may not exceed 1-1/2 percent of the amount collected as determined by the governing body. The collected fees shall be deposited in the City of Amarillo's general fund.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1001.405. INTEREST, PENALTIES, AND DISCOUNTS. Interest, penalties, and discounts on taxes paid to the district shall be the same as those on taxes paid to the city.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

CHAPTER 1002. ANGLETON-DANBURY HOSPITAL DISTRICT OF BRAZORIA COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1002.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Angleton-Danbury Hospital District of Brazoria County, Texas.

(3) "Director" means a member of the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 1002.002. AUTHORITY FOR CREATION. The Angleton-Danbury Hospital District of Brazoria County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, as that territory may have been modified under:

(1) Subchapter D or its predecessor statute, Section 4a, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967; or
(2) other law.

(b) The legislature finds that the boundaries and field notes of the district contained in Section 1, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to issue bonds;
(3) the right of the district to impose taxes; or
(4) the legality or operation of the district in any other manner.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 1002.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system may not become a charge against or obligation of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1002.051. BOARD OF DIRECTORS; ELECTION. (a) The board consists of nine persons elected as provided by this section.

(b) For the purpose of electing a board, the district is divided into three areas:

(1) Area Angleton, composed of:

(A) all territory within Brazoria County election precincts Nos. 1, 2, and 5 that is within the boundaries of the Angleton Independent School District, as those precincts and those boundaries existed on January 1, 1967; and

(B) that part of Brazoria County election precinct No. 6 that is west of Chocolate Bayou and within the boundaries of the Angleton Independent School District, as that precinct and those boundaries existed on January 1, 1967;

(2) Area Danbury, composed of all territory within the boundaries of the Danbury Independent School District, as those boundaries existed on January 1, 1967; and

(3) Area Rosharon, composed of:

(A) all territory within Brazoria County election precinct No. 9 that is not within the boundaries of the Danbury Independent School District, as that precinct and those boundaries existed on January 1, 1967; and

(B) all territory within Brazoria County election precinct No. 21 that is not within the boundaries of the Manvel Independent School District, as that precinct and those boundaries existed on January 1, 1967.

(c) A change in the boundaries of an election precinct or a school district does not affect or change the boundaries of an area prescribed by Subsection (b).

(d) Eight directors are elected by position and one director is elected at large. The persons elected for Director, Position Nos. 1,
2, 3, 4, and 5 must be residents of Area Angleton. The persons elected for Director, Position Nos. 6 and 7 must be residents of Area Danbury. The person elected for Director, Position No. 8 must be a resident of Area Rosharon. The director elected for Position No. 9 must be a resident of the district at large.

(e) At each directors' election, all qualified voters of the district may vote for directors. The candidate for a position receiving the highest number of votes for election to that position is a director for the district.

(f) Directors serve staggered four-year terms. The district shall hold an election each odd-numbered year to elect the appropriate number of directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:
  Acts 2013, 83rd Leg., R.S., Ch. 826 (S.B. 1861), Sec. 1, eff. January 1, 2014.
  Acts 2013, 83rd Leg., R.S., Ch. 1119 (H.B. 3905), Sec. 1, eff. January 1, 2014.

Sec. 1002.052. BOND; RECORD OF BOND AND OATH OF OFFICE. (a) Each director shall execute a good and sufficient bond for $5,000 that is:

(1) approved by the Commissioners Court of Brazoria County and the board;

(2) payable to the district; and

(3) conditioned on the faithful performance of the director's duties.

(b) The bond and the constitutional oath of office shall be kept in the permanent records of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.053. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term.

(b) If the number of directors is reduced to less than five, the remaining directors shall immediately call a special election to fill the vacancies. On application of any voter or taxpayer of the
district when the board fails to call an election, a district court may order the directors to hold the election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.054. OFFICERS. The board shall elect a president and a secretary from among the directors to serve until the next directors election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.055. COMPENSATION; REIMBURSEMENT. A director serves without compensation but may be reimbursed for actual expenses incurred by the director in the performance of official duties on the approval of the expenses by the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.056. VOTING REQUIREMENT. A concurrence of five directors is sufficient in any matter relating to the business of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.057. RECRUITMENT OF STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees, including:

1. advertising and marketing;
2. paying travel, recruitment, and relocation expenses;
and
3. providing a loan or scholarship to a physician, or a person currently enrolled in health care education courses at an institution of higher education, who contractually agrees to become a medical staff member or district employee.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 1002.058. OFFICE FACILITIES. (a) In this section, "licensed health care professional" means any individual who is licensed or certified by or registered in this state to provide health care.

(b) The board shall determine the type, number, and location of buildings necessary to establish and maintain office facilities for staff physicians, physicians employed under Section 1002.061, and other licensed health care professionals to provide adequate health care services for the district within the licensed health care professionals' scope of license.

(c) The board may:

(1) acquire property and equipment and construct facilities for the district for use by staff physicians, physicians employed under Section 1002.061, and other licensed health care professionals; and

(2) mortgage or pledge the property, equipment, or facilities as security for the payment of the purchase price or construction cost.

(d) The board may lease the office facilities and equipment to staff physicians, physicians employed under Section 1002.061, and other licensed health care professionals or may sell or otherwise dispose of the property, facilities, and equipment.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 826 (S.B. 1861), Sec. 2, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1119 (H.B. 3905), Sec. 2, eff. June 14, 2013.

Sec. 1002.059. HEALTH EDUCATION PROGRAMS FOR STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to conduct, participate in, or otherwise assist in providing health care educational programs for current or prospective medical staff members or district employees.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 1002.060. RETIREMENT OF BENEFITS. The board may provide
retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System;
   or
   (B) another statewide retirement system in which the
district is eligible to participate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.061. EMPLOYMENT OF PHYSICIANS. (a) The board may
employ a physician and retain all or part of the professional income
generated by the physician for medical services provided at a
hospital or other health care facility owned or operated by the
district if the board satisfies the requirements of this section.

(b) The board shall:

(1) appoint a chief medical officer for the district who
has been recommended by the medical staff of the district; and
(2) adopt, maintain, and enforce policies to ensure that a
physician employed by the district exercises the physician's
independent medical judgment in providing care to patients.

(c) The policies adopted under this section must include:

(1) policies relating to:
   (A) credentialing and privileges;
   (B) quality assurance;
   (C) utilization review;
   (D) peer review and due process; and
   (E) medical decision-making; and

(2) the implementation of a complaint mechanism to process
and resolve complaints regarding interference or attempted
interference with a physician's independent medical judgment.

(d) The policies adopted under this section must be approved by
the medical staff of the hospital. In the event of a conflict
between a policy adopted by the board and approved by the medical
staff under this section and a policy of the hospital, a conflict
management process shall be jointly developed by the medical staff of
the hospital and the board and implemented to resolve that conflict.

(e) For all matters relating to the practice of medicine, each physician employed by the district shall ultimately report to the chief medical officer of the district.

(f) The chief medical officer shall notify the Texas Medical Board that the board is employing physicians under this section and that the chief medical officer is the board's designated contact with the Texas Medical Board. The chief medical officer shall immediately report to the Texas Medical Board any action or event that the chief medical officer reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

(g) The board shall give equal consideration regarding the issuance of medical staff membership and privileges to physicians employed by the district and physicians not employed by the district.

(h) A physician employed by the district shall retain independent medical judgment in providing care to patients and may not be disciplined for reasonably advocating for patient care.

(i) If the district provides professional liability coverage for physicians employed by the district, a physician employed by the district may participate in the selection of the professional liability coverage, has the right to an independent defense at the physician's own cost, and retains the right to consent to the settlement of any action or proceeding brought against the physician.

(j) If a physician employed by the district enters into an employment agreement that includes a covenant not to compete, the agreement is subject to Section 15.50, Business & Commerce Code, and any other applicable provision.

(k) The board may not delegate to the chief executive officer of the district the authority to hire, terminate, or make any other personnel decisions relating to a physician.

(l) This section applies to medical services provided by a physician at a hospital or other health care facility owned or operated by the district.

(m) This section may not be construed as authorizing the board to supervise or control the practice of medicine as prohibited under Subtitle B, Title 3, Occupations Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 826 (S.B. 1861), Sec. 3, eff. June 14, 2013.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 1002.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy residents.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.102. LIMITATION ON CERTAIN POLITICAL SUBDIVISIONS. A political subdivision other than the district in Brazoria County may not impose taxes or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.103. POWERS OF BOARD. (a) The board has all powers necessary, convenient, or incidental to carry out the purposes for which the district was created.

(b) The board has the complete management and control of all the business of the district, including the power to negotiate and contract with any person to purchase or lease land, to construct and equip a hospital system, to operate and maintain a hospital or hospitals, and to negotiate and contract with other political subdivisions of the state or private individuals, associations, or corporations for those purposes, all as may be determined to be necessary or desirable for the district by the board.

(c) This section is not a limitation on the powers of the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital or hospital system within the district's boundaries to provide health care services to persons residing in the district by:
(1) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements;
(2) equipping the buildings and improvements; and
(3) administering the buildings and improvements for hospital purposes.

(b) The hospital system may include any facility or equipment the board considers necessary or appropriate for providing health care services, including:

(1) domiciliary care and treatment of sick, injured, or geriatric patients;
(2) outpatient clinics;
(3) rural health clinics;
(4) convalescent home facilities;
(5) assisted living or personal care facilities;
(6) physicians' offices;
(7) home health care services;
(8) durable medical equipment;
(9) long-term care;
(10) skilled and intermediate nursing care;
(11) preventive care services;
(12) ancillary support;
(13) pharmacies;
(14) hospice care;
(15) community mental health centers; and
(16) alcohol or chemical dependency centers.

(c) The district may operate or assist in the operation of a mobile emergency medical service as part of the hospital system.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.105. OPERATING, MANAGEMENT, OR CONSULTING CONTRACTS.  
(a) The board may enter into an operating, management, or consulting contract to obtain management or consulting services for the district or for any portion of the district. The contract must provide that the board retains responsibility for and control of the district's operation.

(b) A company providing services to the district under the contract, and the officers, directors, and employees of the company, while performing services under the contract for the benefit of the
district:

(1) are solely employees of the district for purposes of any determination regarding the immunity or liability of the company or its officers, directors, and employees; and

(2) have immunity or limited liability under laws applicable to district employees, whether statutory or common law, to the extent a district employee would be entitled under the same circumstances.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.106. PROVISION OF SERVICES OUTSIDE DISTRICT. Subject to the approval of the board, the district may provide primary care, emergency services, preventive medical services, and other health-related services outside the district if the services serve the purpose of the district as established by this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in the territory of the district if the interest is necessary or convenient for the district to exercise the rights, powers, privileges, or functions conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, but the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide bond or other security for costs in the trial court;

(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide bond for cost or supersedeas on an appeal or writ of error.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 1002.108. GIFTS AND ENDOWMENTS. (a) The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

(b) This section is not a limitation on the authority of the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.109. AUTHORITY TO SUE AND BE SUED. As a government agency, the district may sue and be sued in its own name in any court of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.110. PUBLIC WORKS CONTRACTS. With respect to the construction of public works, the district has all of the powers and duties conferred on a municipality under Chapter 2269, Government Code, with respect to the construction of a facility. To the extent of any conflict, this section prevails over any other law relating to the construction of public works engaged in by the district.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.001(a), eff. September 1, 2005.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1129 (H.B. 628), Sec. 4.05, eff. September 1, 2011.
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 22.002(31), eff. September 1, 2013.

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1002.151. PETITION TO EXPAND DISTRICT TERRITORY. (a) Territory may be added to the district on a petition for annexation signed by the owners of a majority in value of the land sought to be
annexed, as shown by the county tax rolls.

(b) The petition must be filed with the secretary of the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.152. NOTICE OF HEARING. (a) The board shall pass an order fixing a time and place at which the petition shall be heard.

(b) The secretary shall issue notice of the time and place of the hearing. The notice must describe the territory proposed to be annexed by metes and bounds or by lot and block number, if there is a recorded map or plat and survey of the land.

(c) Notice of the hearing shall be given by publication of a copy of the notice in a newspaper of general circulation in Brazoria County at least one time, the date of the first publication to be at least 10 days before the date of the hearing.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.153. ORDER OF ANNEXATION. If, after hearing the petition, the board finds that the proposed annexation is to the advantage of the district and to the territory to be annexed, the board may by order annex the territory to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.154. RATIFICATION ELECTION. (a) Annexation of the territory does not become final until ratified by a majority vote at a separate election held within the boundaries of the district and by a majority vote at a separate election held within the territory to be annexed.

(b) The election must be called by the board on its own motion. The order calling the election shall specify the date, the place or places where the election shall be held, and the presiding election officers.

(c) Notice of the election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Brazoria County once a week for two consecutive weeks, the date of the first publication to be at least
14 days before the date set for the election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.155. ASSUMPTION OF DEBTS AND TAXES. If the district has outstanding debts or taxes, the proposition for assumption of its proportion of the debts or taxes by the territory if annexed shall also be submitted at the election. The annexed territory shall bear its pro rata part of all indebtedness or taxes that may be owed, contracted, or authorized by the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 1002.201. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election on the question of dissolution of the district if the board receives a petition requesting an election that is signed by a number of residents of the district equal to at least 15 percent of the registered voters in the district.

(d) The election shall be held not later than the 60th day after the date the election is ordered.

(e) The order calling the election must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(f) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 1002.202. NOTICE OF ELECTION. (a) The board shall give notice of the election by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear at least 35 days before the date set for election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.203. BALLOT. The ballot for the election shall be printed to permit voting for or against the proposition: "The dissolution of the Angleton-Danbury Hospital District of Brazoria County, Texas."

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.204. ELECTION RESULTS. (a) If a majority of the votes in the election favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.205. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Brazoria County or another governmental agency in Brazoria County; or

(2) administer the property, assets, and debts until all funds have been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or agency assumes all debts and obligations of the
Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.206. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) Notwithstanding any other provision of this subchapter, the district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person or entity.

(b) The dissolution of the district and the sale or transfer of the district's assets or liabilities may not contravene a trust indenture or bond resolution relating to the outstanding bonds of the district. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of the residents of the district, including the residents' collective property rights in the district's assets. The district may not transfer or dispose of the district's assets except for due compensation unless the transfer is made to another governmental agency that serves the district and the transferred assets are to be used for the benefit of the residents of the district.

(d) A grant from federal funds is an obligation to be repaid in satisfaction.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.207. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) When all outstanding debts and obligations of the district are paid, the board shall order the secretary to return the pro rata share of all unused tax money to each district taxpayer.

(c) A taxpayer may request that the taxpayer's share of surplus

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tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the funds to the county tax assessor-collector.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.208. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its assets and funds as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Brazoria County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Brazoria County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER F. DISTRICT FUNDS

Sec. 1002.251. DEPOSITORY. The board shall by resolution designate a bank within the county as the district's depository, and all funds of the district shall be secured in the manner provided for the security of county funds. Such depository shall serve for a period of five years and until a successor has been selected.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 826 (S.B. 1861), Sec. 4, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1119 (H.B. 3905), Sec. 4, eff. June 14, 2013.

Sec. 1002.252. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money for district obligations.

(b) To secure a loan or line of credit, the board may pledge:

(1) revenue of the district that is not pledged to pay the
district's bonded indebtedness;

(2) taxes to be imposed by the district in the next 12-month period that are not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date on which the loan is made. A loan for which district revenues are pledged must mature not later than the fifth anniversary of the date on which the loan is made.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 826 (S.B. 1861), Sec. 5, eff. June 14, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 1119 (H.B. 3905), Sec. 5, eff. June 14, 2013.

**SUBCHAPTER G. BONDS**

Sec. 1002.301. GENERAL OBLIGATION BONDS. (a) The board may issue and sell bonds authorized by an election in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements; and

(2) equip buildings or improvements for hospital purposes.

(b) The bonds shall be sold at the time, in the manner, and under the terms determined by the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.302. TAXES TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an annual ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the general obligation bonds as they mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed 75 cents on the $100 valuation of all taxable property in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 1002.303. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may call the election on its own motion. The order calling the election must specify:

1. the date of the election;
2. the place or places where the election will be held;
3. the names of the presiding election officers;
4. the purpose for which the bonds are to be issued;
5. the amount of the bonds;
6. the maximum interest rate of the bonds; and
7. the maximum maturity of the bonds, which may not exceed 40 years from the date of issuance.

(c) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district as provided by Section 4.003(a)(1), Election Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.304. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the name of the district. The board secretary shall countersign the bonds.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1002.305. INVESTMENT OF GENERAL OBLIGATION BOND PROCEEDS. Any part of the proceeds of general obligation bonds, until they are needed for the purpose for which the bonds were issued, may be invested in securities of the United States or placed on time deposit or in certificates of deposit.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 1002.306. REVENUE BONDS. (a) The board may issue revenue bonds to:

1. purchase, construct, repair, renovate, or acquire buildings, sites, or improvements and equip buildings, sites, or improvements for hospitals and the hospital system; and

2. establish and maintain office facilities for staff physicians under Section 1002.058.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system, including district facilities.

(c) Bonds issued under Subsection (a)(1) may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) Bonds issued under Subsection (a)(1) must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code.

(e) Bonds issued under Subsection (a)(2) must be issued in the manner provided by Sections 264.042-264.047(a), 264.048, and 264.049, Health and Safety Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER H. TAXES

Sec. 1002.351. IMPOSITION OF TAXES. (a) The board shall impose on all property subject to district taxation, for the benefit of the district, a tax at a rate not to exceed 75 cents on each $100 assessed value of the property according to the most recent certified appraisal roll of the district.

(b) The board shall impose the tax to:

1. meet the requirements of the district's bonds;
2. provide for the district's maintenance and operating expenses;
3. make improvements and additions to the district's hospitals or hospital system; and
4. acquire necessary sites for hospitals or the hospital system by gift, purchase, lease, or condemnation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 1002.352. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 1003. BOOKER HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1003.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Booker Hospital District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.002. AUTHORITY FOR OPERATION. The Booker Hospital District operates under the authority of Section 9, Article IX, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 411, Acts of the 58th Legislature, Regular Session, 1963.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.005. CORRECTION OF INVALID PROCEDURE. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may
provide an alternative procedure that conforms with the constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 1003.051. BOARD. The district is governed by a board of seven directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.052. TERM; ELECTION. (a) Unless a four-year term is established under Section 285.081, Health and Safety Code:

(1) directors serve staggered terms of two years;
(2) three directors shall be elected in odd-numbered years and four directors shall be elected in even-numbered years; and
(3) a directors election shall be held on the first Saturday in May of each year to elect the appropriate number of directors.

(b) Directors are elected at large.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.053. VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.054. OFFICERS. The board shall elect a president and a secretary from among the directors to serve until the next directors election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.055. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses
incurred in the performance of official duties on the approval of the expenses by the entire board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.056. EMPLOYEES. The board may employ a general manager, attorney, financial advisor, bookkeeper, or architect.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.057. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. All district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and
(2) open to public inspection at the district office at all reasonable hours.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.058. SEAL. The board may adopt a seal for the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1003.101. DISTRICT RESPONSIBILITY. The district has full responsibility for the operation of all hospital facilities for providing hospital care for the district's needy residents.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.102. LIMITATION ON CERTAIN POLITICAL SUBDIVISIONS. A political subdivision within the district may not impose taxes or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.
Sec. 1003.103. MANAGEMENT AND CONTROL. The board has the complete management and control of all the business of the district, including the power to negotiate and contract with any person to purchase or lease land, to construct and equip a hospital system, to operate and maintain the hospital, and to negotiate and contract with other political subdivisions of the state or private individuals, associations, or corporations for those purposes.

Sec. 1003.104. HOSPITAL SYSTEM. The district may establish a hospital system to provide medical and hospital care to persons residing in the district.

Sec. 1003.105. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.

Sec. 1003.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of the making of purchases and expenditures by the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and

(2) the method of purchasing necessary supplies, materials, and equipment.
Sec. 1003.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in the territory of the district if the interest is necessary or convenient for the district to exercise the rights, powers, privileges, or functions conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, but the district is not required to deposit in the trial court money or bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide bond or other security for costs in the trial court;

(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide bond for costs or supersedeas on an appeal or writ of error.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.109. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient from the county has been admitted to a district facility, the board shall require an inquiry into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district to handle these affairs finds that the patient or the relatives are not able to pay all or part of the costs of the care and treatment in the hospital,
the care and treatment shall become a charge on the district.

(c) If the agent finds that the patient or the patient's relatives are liable to pay for all or part of the costs of the care and treatment, an order shall be made directing the patient or the relatives to pay a specified amount per week to the treasurer for the support of the patient. The amount ordered must be proportionate to financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the sum from the patient's estate, or from any relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hear and determine the dispute or resolve the doubt, after calling witnesses, and shall make a proper order. The order may be appealed to the district court by either party to the dispute.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.110. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER D. GENERAL FINANCIALPROVISIONS

Sec. 1003.151. BUDGET. (a) Each year, the board shall prepare a budget showing for the following fiscal year:

(1) the proposed expenditures and disbursements;
(2) the estimated receipts and collections; and
(3) the amount of taxes required to be imposed during the year.

(b) The board shall hold a public hearing on the proposed budget. At least 10 days before the date of hearing, at least one notice of the hearing shall be published in a newspaper of general circulation in the county.

(c) Any district taxpayer is entitled to appear at the time and place designated in the notice and to be heard regarding any item
shown in the proposed budget.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.152. FISCAL YEAR. The district's fiscal year begins on October 1 and ends on September 30.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.153. ANNUAL AUDIT. (a) For each fiscal year, the board shall have an independent audit made of the district's books and records.

(b) Not later than December 31 each year, the audit shall be filed with the comptroller and at the district office.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.154. DEPOSITORY. (a) The board by resolution shall designate one or more banks in the district as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.

(b) All income received by the district, including tax revenue after deducting discounts and fees for assessing and collecting the taxes, shall be deposited with the district depository and may be withdrawn only as provided by this chapter.

(c) All district funds shall be secured in the manner provided for securing county funds.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER E. BONDS

Sec. 1003.201. GENERAL OBLIGATION BONDS. The board may issue and sell bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements; and

(2) equip buildings or improvements for hospital purposes.
Sec. 1003.202. TAXES TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the general obligation bonds as they mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed 75 cents on each $100 assessed value of the property according to the most recent certified tax appraisal roll of the district.

Sec. 1003.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting at an election held for that purpose.

(b) The board may call an election on its own motion and must specify:

(1) the place or places where the election will be held;
(2) the presiding election officers;
(3) the purpose for which the bonds are to be issued;
(4) the amount of the bonds;
(5) the maximum interest rate of the bonds; and
(6) the maximum maturity of the bonds, which may not exceed 40 years from the date of issuance.

(c) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first publication must occur not later than the 21st day before the date set for the election.

(d) The district shall pay the costs of the election.

Sec. 1003.204. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the
name of the district. The board secretary shall countersign the bonds.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) Subject to Subsection (c), a refunding bond may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the bonds to be refunded; or

(2) exchanged in whole or in part for not less than a like amount of bonds to be refunded and the matured but unpaid interest on those bonds.

(c) The average annual interest cost on the refunding bonds, computed in accordance with recognized standard bond interest cost tables, may not exceed the average annual interest cost on the bonds to be refunded, unless the total interest cost on the refunding bonds to their maturity dates is less than the total interest cost on the bonds to be refunded.

(d) Any premium required to be paid, as a condition to payment in advance of the stated maturity dates, on the bonds to be refunded must be included in computing the net interest cost to the district of the refunding bonds.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER F. TAXES

Sec. 1003.251. IMPOSITION OF TAXES. (a) The board shall impose on all property subject to district taxation, for the benefit of the district, a tax at a rate not to exceed 75 cents on each $100 assessed value of the property according to the most recent certified tax appraisal roll of the district.

(b) The board shall impose the tax to:

(1) pay the principal of and interest on, and to create an interest and sinking fund for, bonds that may have been assumed or that may be issued by the district for hospital purposes;

(2) provide for the operation and maintenance of the hospital or hospital system;
(3) make improvements and additions to the hospital system; and

(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.252. POWERS AND DUTIES OF COUNTY TAX ASSSESSOR; FEES. (a) The county tax assessor and collector shall collect the tax imposed under this subchapter unless the board by majority vote appoints a tax assessor and collector under Section 285.041, Health and Safety Code.

(b) The county tax assessor and collector shall charge and deduct from payments to the district a fee for imposing the tax in an amount determined by the board not to exceed the lesser of one percent of the amount collected or $5,000 for the fiscal year. The fees shall be deposited in the county's general fund and shall be reported as fees of the tax assessor and collector.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 1003.253. INTEREST, PENALTIES, AND DISCOUNTS. Interest, penalties, and discounts on taxes paid to the district shall be the same as for county taxes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 1004. BALLINGER MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1004.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Ballinger Memorial Hospital District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1004.002. AUTHORITY FOR OPERATION. The Ballinger Memorial Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1.03, Chapter 137, Acts of the 70th Legislature, Regular Session, 1987, as that territory may have been modified under other law.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER B. DISTRICT ADMINISTRATION
Sec. 1004.051. BOARD. The district is governed by a board of seven directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.052. TERMS; ELECTION. (a) Directors are elected from the district at large.
   (b) Unless a four-year term is established under Section 285.081, Health and Safety Code:
      (1) directors serve staggered two-year terms; and
      (2) a directors' election shall be held on the first Saturday in May of each year to elect the appropriate number of directors.
   (c) Notice of the directors' election shall be published at least once in a newspaper with general circulation in the district in accordance with Section 4.003(a), Election Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.053. QUALIFICATIONS FOR OFFICE. (a) To be a candidate for or to serve as a director, a person must be:
   (1) a resident of the district; and
   (2) a qualified voter.
   (b) An employee of the district may not serve as a director.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.054. DIRECTOR'S BOND. (a) Before assuming the duties of office, each director must execute a bond in the amount of $5,000 payable to the district and conditioned on the faithful performance of the director's duties.
   (b) The bond shall be kept in the permanent records of the district.
   (c) The board may pay for a director's bond with district money.
Sec. 1004.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term.

Sec. 1004.056. OFFICERS. (a) The board shall elect a president and a vice president from among the directors.
(b) The board shall appoint a secretary, who need not be a director.
(c) Each officer of the board serves a one-year term.
(d) The board shall fill a vacancy in a board office for the remainder of the unexpired term.

Sec. 1004.057. COMPENSATION; REIMBURSEMENT. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.

Sec. 1004.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business.
Sec. 1004.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S BOND.  (a) The board may appoint a qualified person as district administrator.  
(b) The district administrator serves at the will of the board.  
(c) The district administrator is entitled to compensation determined by the board.  
(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount not less than $5,000, as determined by the board, conditioned on the faithful performance of the administrator's duties.  
(e) The board may pay for the bond with district money.  

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:  
(1) supervise the work and activities of the district; and  
(2) direct the general affairs of the district.  

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as assistant district administrator and attorney for the district.  
(b) The assistant district administrator and attorney for the district serve at the will of the board.  
(c) The assistant district administrator and attorney for the district are entitled to compensation determined by the board.  

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.062. EMPLOYEES. (a) The district may employ nurses,
technicians, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees. The actions may include:

(1) advertising and marketing;
(2) paying travel, recruitment, and relocation expenses;
(3) providing a loan or scholarship to a physician or a person currently enrolled in health care education courses at an institution of higher education who contracts to become a medical staff member or district employee; or
(4) contracting with a full-time medical student or other student in a health occupation who is enrolled in and in good standing at an accredited medical school, college, or university to pay the student's tuition or other expenses for the consideration of the student agreeing to serve as an employee or independent contractor for the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. The board may:

(1) appoint to the medical staff any doctor the board considers necessary for the efficient operation of the district;
(2) remove any doctor from the medical staff, after due process, if the board considers the doctor's removal necessary for the efficient operation of the district; and
(3) make temporary appointments to the medical staff as the board considers necessary.
Sec. 1004.065. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1004.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and providing medical and hospital care for the district's needy residents.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.103. RULES. The board may adopt rules governing:

(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1004.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

1. the method of making purchases and expenditures by and for the district; and
2. accounting and control procedures for the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.105. PROVISION OF CERTAIN HEALTH SERVICES. (a) The district may operate or provide for the operation of a mobile emergency medical service.

(b) The district may operate or provide for home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

1. the type, number, and location of buildings required to maintain an adequate hospital system; and
2. the type of equipment necessary for hospital care.

(b) The board may:

1. acquire property, facilities, and equipment for the district for use in the hospital system;
2. mortgage or pledge the property, facilities, or equipment as security for payment of the purchase price;
3. sell or otherwise dispose of property, facilities, or equipment for the district; or
4. lease hospital facilities for the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital
facilities for the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.108. SERVICE CONTRACTS. (a) The board may contract with a public or private hospital, a political subdivision of the state, or a state or federal agency for the district to provide a mobile emergency medical service or other health care services needed to provide for the investigatory or welfare needs of residents of the district.

(b) The board may contract with a person to receive or supply the services the board considers necessary for the effective operation of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide bond or other security for costs in the trial court;
   (2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1004.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district shall pay the actual cost of that activity to provide a comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or provision in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be...
based on the person's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall call witnesses, hear and resolve the question, and issue a final order. The order may be appealed to a district court in the county in which the district is located. The substantial evidence rule applies to an appeal under this subsection.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.113. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside of the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or hospital, as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Runnels County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Runnels County and is not a resident of the district.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.114. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) A corporation created under this section may use money contributed by the district only to provide health care or other
services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.115. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.116. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a construction contract on the district's behalf.

(b) The board may enter into a construction contract only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code, if the amount of the contract is greater than the amount provided by Section 271.024 of that code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER D. DISSOLUTION

Sec. 1004.151. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the district's registered voters.
(d) The election shall be held not later than the 60th day after the date the election is ordered.
(e) The order calling the election must state:
   (1) the nature of the election, including the proposition that is to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.
(f) Section 41.001, Election Code, does not apply to an election ordered under this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.152. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.
(b) The first publication must appear not later than the 35th day before the date set for the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.153. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Ballinger Memorial Hospital District."

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.154. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.
(b) If a majority of the votes in an election under this subchapter do not favor dissolution, the board shall continue to administer the district, and another election on the question of
dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.155. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets belonging to the district to Runnels County or another governmental entity in Runnels County; or

(2) administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes a transfer under Subsection (a)(1), the county or governmental entity assumes all debts and obligations of the district at the time of the transfer. The district is dissolved at the time of the transfer.

(c) If the district administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.156. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board determines that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer
requests the credit, the board shall direct the secretary to transmit the funds to the county tax assessor-collector.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.157. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Runnels County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Runnels County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER D-1. DISSOLUTION OF BALLINGER MEMORIAL HOSPITAL DISTRICT ON CREATION OF RUNNELS COUNTY HOSPITAL DISTRICT

Sec. 1004.171. DISSOLUTION; ELECTION. (a) The board may order an election on the question of the dissolution of the district, creation of the Runnels County Hospital District, transfer of the district's assets and obligations to the Runnels County Hospital District, and assumption of the district's outstanding debts by the Runnels County Hospital District.

(b) The board shall order the election if:

(1) the board receives a petition requesting an election that is signed by at least 50 of the district's registered voters; or

(2) the board receives notice that the board of directors of the North Runnels County Hospital District intends to order an election to dissolve the North Runnels County Hospital District and create the Runnels County Hospital District under Section 20c, Chapter 206, Acts of the 61st Legislature, Regular Session, 1969.

(c) If the board intends to hold an election under this subchapter, the board shall notify the board of directors of the
North Runnels County Hospital District and the Runnels County Commissioners Court of that intention.

(d) The election held under this subchapter shall be held on the same date as the election to dissolve the North Runnels County Hospital District and create the Runnels County Hospital District under Section 20c, Chapter 206, Acts of the 61st Legislature, Regular Session, 1969, and the election in the portion of the county not included in a hospital district to create the Runnels County Hospital District. The board shall coordinate with the board of directors of the North Runnels County Hospital District and the Commissioners Court of Runnels County in setting the election date under this section.

(e) The order calling the election must state:
   (1) the nature of the election, including the proposition that is to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.

(f) Section 41.001, Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 1.01, eff. June 19, 2009.

Sec. 1004.172. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 35th day before the date set for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 1.01, eff. June 19, 2009.

Sec. 1004.173. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Ballinger Memorial Hospital District and the creation of the Runnels County Hospital District, providing for the imposition of an ad valorem tax at a rate not to
exceed ____ cents (insert any rate not to exceed 75 cents) on each $100 valuation of taxable property in Runnels County, and providing for the transfer to and assumption by the Runnels County Hospital District of all outstanding bonds and other obligations issued for hospital purposes by the Ballinger Memorial Hospital District, Runnels County, and any part of a municipality located in Runnels County, and the transfer of the existing Ballinger Memorial Hospital District's assets to the Runnels County Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 1.01, eff. June 19, 2009.

Sec. 1004.174. ELECTION RESULTS. (a) The board shall find that the district is dissolved if:

1. a majority of the votes in an election under this subchapter favor dissolution of the district and creation of the Runnels County Hospital District;

2. a majority of the votes in an election held on the same date under Section 20c, Chapter 206, Acts of the 61st Legislature, Regular Session, 1969, favor dissolution of the North Runnels County Hospital District and creation of the Runnels County Hospital District; and

3. a cumulative majority of the votes in all three elections held on the question of creating the Runnels County Hospital District favor creation of the district.

(b) If a majority of the votes in either election under Subdivision (a)(1) or (2) do not favor dissolution of the district and creation of the Runnels County Hospital District, or if a cumulative majority of the votes in all three elections held on the question of creating the Runnels County Hospital District do not favor creation of the district, the board shall continue to administer the district, and another election on the question of dissolution under this subchapter may not be held before the first anniversary of the date of the most recent election under this subchapter to dissolve the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 1.01, eff. June 19, 2009.
Sec. 1004.175. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in both elections under Sections 1004.174(a)(1) and (2) favor dissolution of the district and creation of the Runnels County Hospital District, and a cumulative majority of the votes in all three elections held on the question of creating the Runnels County Hospital District favor creation of the district, the board shall transfer the land, buildings, improvements, equipment, and other assets belonging to the district to the Runnels County Hospital District.

(b) On the date the district makes the transfer under Subsection (a), the Runnels County Hospital District assumes all debts and obligations of the district at the time of the transfer. The district is dissolved at the time of the transfer and the board is released from any further duty or obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 1.01, eff. June 19, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1004.201. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;

(2) the amount of cash on hand to the credit of each fund of the district;

(3) the amount of money received by the district from all sources during the previous year;

(4) the amount of money available to the district from all sources during the ensuing year;

(5) the amount of the balances expected at the end of the year in which the budget is being prepared;

(6) the estimated amount of revenues and balances available to cover the proposed budget; and

(7) the estimated tax rate required.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1004.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make a change in the proposed budget that the board determines to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.203. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.204. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period in which revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.205. ANNUAL AUDIT. The board shall have an annual audit made of the financial condition of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1004.206.  INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS.  The annual audit and other district records are open to inspection during regular business hours at the principal office of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.207.  FINANCIAL REPORT.  As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board a sworn statement of the amount of district money and an account of the disbursement of that money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.208.  SHORT-TERM FINANCING.  The district may borrow money through short-term financing.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.209.  DEBT LIMITATION.  Except as provided by Chapter 1207, Government Code, and Sections 1004.116, 1004.251, and 1004.254, the district may not incur a debt payable from district revenue other than revenue available in the current fiscal year and the immediately following fiscal year of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.210.  DEPOSITORY.  (a) The board shall select at least one bank to serve as a depository for district money.

   (b) The board may solicit bids from local financial institutions to determine which institution may serve as a depository for district money.

   (c) District money, other than money invested as provided by
Section 1004.211 and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the board's power to place part of the district's money on time deposit or to purchase certificates of deposit.

(d) The district may deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation only if the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.211. RESTRICTION ON INVESTMENT. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER F. BONDS

Sec. 1004.251. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical service.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under
Section 1004.251, the board shall impose an ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of taxes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.253. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may order a bond election. The order calling the election must specify:

(1) the nature and date of the election;
(2) the hours during which the polls will be open;
(3) the location of polling places;
(4) the amounts of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(c) Notice of a bond election must be given as provided by Chapter 1251, Government Code.

(d) The board shall declare the results of the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.254. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for hospital purposes;
(2) acquire sites to be used for hospital purposes; or
(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by county hospital authorities.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.255. MATURITY. District bonds must mature not later than 50 years after the date of their issuance.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.256. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.257. BONDS NOT SUBJECT TO TAXATION. The following are not subject to taxation by the state or by a political subdivision of the state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER G. AD VALOREM TAX

Sec. 1004.301. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to hospital district taxation.
(b) The tax may be used to pay:
   (1) indebtedness issued or assumed by the district; and
   (2) the maintenance and operating expenses of the district.
(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.302. TAX RATE. (a) The board may impose an annual tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of a tax.

(b) The tax rate on all taxable property in the district for all purposes may not exceed 75 cents on each $100 valuation of the property according to the most recent certified tax appraisal roll of the district.

(c) In setting the tax rate, the board shall consider district income from sources other than taxation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.303. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the maximum tax rate of the district to an amount not to exceed 75 cents on each $100 valuation of the taxable property in the district.

(b) The board shall order an election to increase the maximum tax rate of the district on presentation of a petition that:
   (1) requests the election;
   (2) states the maximum tax rate to be voted on at the election; and
   (3) is signed by at least 100 registered voters of the district as determined by the most recent official list of registered voters.

(c) The board by order shall set a time and place to hold a hearing on the petition. The board shall set a date for the hearing that is not earlier than the 11th day after the date the board issues the order.

(d) If, after the hearing, the board determines that the
petition is in proper form and that an increase of the maximum tax rate would benefit the district, the board shall order an election to authorize the increase of the maximum tax rate to the tax rate stated in the petition.

(e) The election order must state:
   (1) the nature of the election, including the proposition that is to appear on the ballot;
   (2) the maximum tax rate to be voted on at the election;
   (3) the date of the election;
   (4) the hours during which the polls will be open; and
   (5) the location of the polling places.

(f) The election shall be held not earlier than the 45th day and not later than the 60th day after the date the election is ordered.

(g) Section 41.001(a), Election Code, does not apply to an election ordered under this subchapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.304. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 35th day before the date set for the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1004.305. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The increase by the Ballinger Memorial Hospital District of the rate of annual taxes for hospital purposes on all taxable property in the district to a rate not to exceed ______ (insert the amount determined by the board or stated in the petition) cents on each $100 valuation."

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
Sec. 1004.306. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

CHAPTER 1005. BAYLOR COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1005.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Baylor County Hospital District.
(4) "Hospital system" includes a hospital and an alternative delivery system of care created under Section 1005.107.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.002. AUTHORITY FOR OPERATION. The Baylor County Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.004. DISTRICT TERRITORY. The boundaries of the
district are coextensive with the boundaries of Baylor County, Texas, as those boundaries existed on September 1, 1989.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1005.051. BOARD. The district is governed by a board of seven directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.052. ELECTION; TERM. (a) Directors are elected from the district at large.

(b) Unless a four-year term is established under Section 285.081, Health and Safety Code:
   (1) directors serve staggered two-year terms; and
   (2) an election shall be held on the first Saturday in May of each year to elect the appropriate number of directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1005.053. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.054. APPLICATION. (a) A person who wants to have the person's name printed on the ballot as a candidate for director must file with the secretary of the board a petition requesting that the person's name be printed on the ballot.

(b) The petition must be signed by at least 10 registered voters of the district.

(c) The application must be filed at least 31 days before the date of the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.055. QUALIFICATIONS FOR OFFICE. (a) To be a candidate for or to serve as a director, a person must be:

(1) a resident of the district; and

(2) a qualified voter.

(b) An employee of the district or an employee's spouse, child, parent, or parent-in-law may not serve as director.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.056. BOARD VACANCY. If a vacancy occurs in the office of director, the Commissioners Court of Baylor County shall appoint a director for the unexpired term.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1005.057. OFFICERS. (a) The board shall elect a president and a vice president from among its members.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.058. COMPENSATION. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.059. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board.

(c) The district administrator is entitled to the compensation determined by the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1005.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the general affairs of the district and hospital system.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.062. APPOINTMENT AND RECRUITMENT OF STAFF. (a) The board may appoint to the staff any physicians the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The board may delegate to the district administrator the authority to make temporary appointments to the medical staff, with subsequent approval of the board.

(c) The board may spend district money, including making guarantees and loans, to recruit physicians to the hospital staff as required to meet the medical needs of district residents.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.063. EMPLOYEES. (a) The district may employ physicians, technicians, nurses, fiscal agents, accountants, architects, attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.064. HEALTH EDUCATION. The board may spend district money to provide scholarships and student loans to educate county residents in health-related fields.
Sec. 1005.065. RETIREMENT BENEFITS. The board may provide retirement benefits for employees of the district and hospital system by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Sec. 1005.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and for providing medical and hospital care for the district's needy residents, in accordance with district policy.

Sec. 1005.102. RESTRICTION ON COUNTY AND MUNICIPAL TAXATION AND DEBT. Baylor County and the City of Seymour may not impose a tax or issue a bond or other obligation for hospital purposes or to provide medical care or other services the district provides to district residents.

Sec. 1005.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district.
Sec. 1005.104. DISTRICT RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of the district staff and employees.

Sec. 1005.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of the making of purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Sec. 1005.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

Sec. 1005.107. ALTERNATIVE DELIVERY SYSTEMS OF CARE. The board may create alternative delivery systems of care, including:
(1) nursing homes;
(2) home health care agencies;
(3) extended care facilities;
(4) retirement villages; and
(5) medical office buildings.
Sec. 1005.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary to furnish health care to district residents.

(b) The board may:

(1) acquire property, facilities, and equipment for the district for use in the hospital system; and

(2) mortgage or pledge the property, facilities, or equipment acquired as security for the payment of the purchase price.

(c) The board may lease the hospital system for the district.

(d) The board may sell or otherwise dispose of property, facilities, or equipment for the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.109. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves spending more than $10,000 only after competitive bidding as provided by Chapter 271, Local Government Code.

(c) Chapter 2253, Government Code, as it relates to performance and payment bonds, applies to a construction contract let by the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.110. OPERATING AND MANAGEMENT CONTRACTS. The board on behalf of the district may enter into operating or management contracts relating to the hospital system.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1005.111. SERVICE CONTRACTS. The board may contract with a political subdivision of the state or with a state or federal agency for the district to:

(1) provide a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district residents.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.112. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the property interest is necessary to exercise the rights or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide bond or other security for costs in the trial court;
(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.113. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone lines, conduits, poles, or facilities, the district must
bear the actual cost of that activity to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.114. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for the purpose and under a written direction, limitation, or provision of the donor that is consistent with the proper management of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an individual who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; or

(2) a relative of the patient who is legally responsible for the patient's support.

(b) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator acting on the board's behalf shall issue an order directing the patient or the relative to pay the district a specified amount each week or month. The amount must be based on the individual's ability to pay.

(c) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support. The money must be collected in the manner provided by law for collection of expenses of the last illness of a deceased person.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1005.116. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the boundaries of the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or hospital as provided by Chapter 61, Health and Safety Code.  

(b) The board shall require the sheriff of Baylor County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Baylor County and is not a resident of the district.  

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.117. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1005.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.  

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;  
(2) the amount of cash on hand in each district fund;  
(3) the amount of money received by the district from all sources during the previous year;  
(4) the amount of money available to the district from all sources during the ensuing year;  
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;  
(6) the estimated amount of revenues and balances available for the proposed budget; and  
(7) the estimated tax rate required.
Sec. 1005.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.  
(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.  
(c) Any district resident is entitled to be present and participate at the hearing.  
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.  
(e) The budget is effective only after adoption by the board.

Sec. 1005.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended on the board's approval.

Sec. 1005.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the annual budget or an amendment to the budget.

Sec. 1005.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.  
(b) The fiscal year may not be changed:  
(1) during a period that revenue bonds of the district are outstanding; or
(2) more than once in a 24-month period.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.156. ANNUAL AUDIT. The board annually shall have an audit made of the financial condition of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the principal office of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board a sworn statement of the amount of district money and an account of the disbursements of that money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.159. DEPOSITORY. (a) The board shall select one or more banks to serve as depository for district money.

(b) District money, other than money invested as provided by Section 1005.161 and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount
that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank has first executed a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.160. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money if the board declares that there is an emergency because money is not available to meet authorized obligations of the district.

(b) To secure a loan, the board may pledge:

(1) district revenues that are not pledged to pay any bonded indebtedness of the district;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) a district bond that has been authorized but not sold.

(c) If a tax or bond is pledged to pay the loan, the loan shall mature not later than the first anniversary of the date the loan is made. If revenues of the district are pledged for payment of the loan, the loan shall mature not later than the fifth anniversary of the date the loan is made.

(d) The district may not spend money obtained from a loan under this section for any purpose other than:

(1) the purpose for which the board declared the emergency; or

(2) if a tax or bond is pledged to pay the loan, the purpose for which the pledged tax was imposed or the pledged bond was authorized.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.161. RESTRICTION ON INVESTMENT. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.
Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER E.  BONDS

Sec. 1005.201.  GENERAL OBLIGATION BONDS.  The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:

(1) acquire, purchase, construct, repair, or renovate buildings or improvements;
(2) equip buildings or improvements for hospital system purposes; or
(3) acquire and operate a mobile emergency medical service.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.202.  TAX TO PAY GENERAL OBLIGATION BONDS.  (a) At the time general obligation bonds are issued by the district under Section 1005.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.203.  GENERAL OBLIGATION BOND ELECTION.  (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of voters voting at an election held for that purpose.

(b) The board may order a general obligation bond election. The order calling the election must specify:

(1) the nature and date of the election;
(2) the hours during which the polls must be open;
(3) the location of the polling places;
the amount of the bonds to be authorized; and
the maximum maturity of the bonds.
(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.
(d) The board shall declare the results of the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.204. REVENUE BONDS. (a) The board may issue revenue bonds to:
(1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for hospital system purposes;
(2) acquire sites to be used for hospital system purposes;
or
(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.
(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.205. MATURITY. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.206. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.
(b) The board secretary shall countersign the bonds in the
manner provided by Chapter 618, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.207. BONDS NOT SUBJECT TO TAXATION. The following are not subject to taxation by the state or by a political subdivision of the state:
(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1005.208. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.
(b) Refunding bonds may be:
   (1) sold, with the proceeds of the refunding bonds applied to the payment of the bonds to be refunded; or
   (2) exchanged in whole or in part for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER F. AD VALOREM TAX
Sec. 1005.251. IMPOSITION OF TAX. (a) The board shall impose a tax on all property in the district subject to hospital district taxation.
(b) The tax may be used to pay:
   (1) indebtedness issued or assumed by the district; and
   (2) the maintenance and operating expenses of the district and the district's hospital system.
(c) The district may not impose a tax to pay the principal of or interest on a revenue bond issued under this chapter.
Sec. 1005.252. TAX RATE. (a) The board may impose an annual tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate on all taxable property in the district for all purposes may not exceed 75 cents on each $100 assessed value of the property according to the most recent certified tax appraisal roll of the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Sec. 1005.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.
Sec. 1006.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Sec. 1006.004. DISTRICT TERRITORY. (a) The boundaries of the district are coextensive with the boundaries of County Commissioners Precincts 1, 3, and 4 of Floyd County as those boundaries existed on January 1, 1963.
   (b) Territory may not be annexed or added to the district.

Sec. 1006.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Sec. 1006.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1006.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.
(b) Directors serve two-year staggered terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.052. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Floyd County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board's secretary a petition requesting that action. The petition must be:

(1) signed by at least 25 qualified voters; and
(2) filed at least 25 days before the date of the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.054. QUALIFICATIONS FOR OFFICE. To be eligible to be elected or appointed as a director, a person must:

(1) be a resident of the district; and
(2) own land in the district subject to taxation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.055. DIRECTOR'S BOND; RECORD OF BOND AND OATH OR AFFIRMATION. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the
director's duties.

(b) The bond and the constitutional oath or affirmation of office shall be deposited with the depository bank of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court on application of a district voter or taxpayer may issue an order requiring the directors to call an election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.057. OFFICERS. The board shall elect from among its members a president and a secretary.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.058. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as a district administrator.

(b) The board may appoint an assistant to the district administrator.
(c) The district administrator and any assistant district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount of not less than $10,000 to be set by the board that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains any other condition the board may require.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. The district administrator shall supervise the work and activities of the district subject to any limitation the board may prescribe.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.061. EMPLOYEES. The board may employ technicians, nurses, and other employees considered necessary for the efficient operation of the district or may delegate that authority to the district administrator.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.062. RETIREMENT PROGRAM. The board may enter into a contract or agreement with this state or the federal government to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 1006.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care to indigent persons in the district; and

(2) providing medical and hospital care for the district's needy residents.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located in the district may not impose taxes or issue bonds or other obligations for hospital purposes for medical treatment of indigent persons.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital or hospital system in the district by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements;

(2) equipping the buildings and improvements; and

(3) administering the buildings and improvements for hospital purposes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1006.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.109. CONTRACTS FOR SERVICES TO CERTAIN PERSONS. (a)
The board may contract with a county or a municipality located outside the district for the care and treatment of sick or injured persons of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the federal government is responsible.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an individual who resides in the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the patient's care and treatment, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from a relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue an appropriate order.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1006.111. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER D. FINANCIAL ADMINISTRATION OF DISTRICT

Sec. 1006.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board. The budget must be for the fiscal year prescribed by Section 1006.152.

(b) Not later than August 31 of each year, the board shall publish notice of a public hearing on the proposed budget. The notice must be published one time in a newspaper of general circulation in the district at least 10 days before the date of the hearing.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.001, eff. September 1, 2007.

Sec. 1006.152. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.153. AUDIT. (a) The district shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1006.154. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.155. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) All district money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to the appropriate bank to pay the principal of and interest on the district's outstanding bonds on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being designated as a depository bank.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.156. BORROWING MONEY IN EMERGENCY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board declares that:

(1) money is not available to meet authorized obligations of the district; and
(2) an emergency exists.

(b) To secure a loan, the board may pledge:

(1) district revenues that are not pledged to pay bonded indebtedness of the district;
(2) district taxes to be imposed by the district in the
next 12-month period that are not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenues are pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) The board may not spend money obtained from a loan under this section for any purpose other than:

(1) the purpose for which the board declared an emergency; and

(2) if district taxes or bonds are pledged to pay the loan, the purpose for which the pledged taxes were imposed or the pledged bonds were authorized.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

**SUBCHAPTER E. BONDS**

Sec. 1006.201. GENERAL OBLIGATION BONDS. (a) The board may issue and sell general obligation bonds in the name and on the faith and credit of the district to purchase, construct, acquire, repair, or renovate buildings or improvements and to equip buildings and improvements for a hospital and the hospital system.

(b) The board shall issue the bonds in compliance with the applicable provisions of Subtitles A and C, Title 9, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.202. TAXES TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1007.201, the board shall impose an ad valorem tax at a rate sufficient to:

(1) create an interest and sinking fund; and

(2) pay the principal of and interest on the bonds as the bonds mature.

(a) At the time general obligation bonds are issued under Section 1006.201, the board shall impose an ad valorem tax at a rate sufficient to:
(1) create an interest and sinking fund; and
(2) pay the principal of and interest on the bonds as the
bonds mature.
(b) The tax required by this section together with any other
tax the district imposes in any year may not exceed 75 cents on each
$100 assessed value of all taxable property in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
April 1, 2007.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.002,
eff. September 1, 2007.

Sec. 1006.203. GENERAL OBLIGATION BOND ELECTION. (a) The
board may issue general obligation bonds only if the bonds are
authorized by a majority of the voters voting in an election held for
that purpose.
(b) The board shall call the election. The election must be
held in accordance with Chapter 1251, Government Code.
(c) The bond election order must specify:
(1) the date of the election;
(2) the location of the polling places;
(3) the presiding election officers;
(4) the amount of the bonds to be authorized;
(5) the maximum interest rate of the bonds; and
(6) the maximum maturity of the bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
April 1, 2007.

Sec. 1006.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The
board president shall execute the general obligation bonds in the
district's name.
(b) The board secretary shall attest the bonds as provided by
Chapter 618, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
April 1, 2007.
Sec. 1006.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding general obligation bonds or other refundable indebtedness issued by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds or other refundable indebtedness to be refunded; or

(2) exchanged in whole or in part for not less than a like principal amount of the bonds or other refundable indebtedness to be refunded.

(c) If a refunding bond is sold, the bond must be issued and the payments must be made in the manner provided by Subchapters B and C, Chapter 1207, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.206. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer and issuance of the bonds; and

(3) the profit made in the sale of the bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER F. TAXES

Sec. 1006.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property subject to district taxation in the manner provided by law for county taxes.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds issued by the district for hospital purposes;

(2) provide for the operation and maintenance of the district and hospital system;

(3) make improvements and additions to the hospital system; and

(4) acquire necessary sites for the hospital system by
purchase, lease, or condemnation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.252. TAX RATE. The tax rate may not exceed 75 cents on each $100 assessed value of all taxable property.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1006.253. TAX ASSESSOR-COLLECTOR. (a) The tax assessor-collector of Floyd County shall collect taxes imposed by the district and promptly transfer the money collected to the district depository.

(b) The assessor-collector shall receive the compensation provided for by contract with the district, except the compensation may not exceed the amount allowed for assessment and collection of county taxes. The compensation shall be deposited in the county's general fund and reported as fees of office of the assessor-collector.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

CHAPTER 1007. BIG BEND REGIONAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1007.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Big Bend Regional Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.002. AUTHORITY FOR CREATION. The district is created under Section 9, Article IX, Texas Constitution.
Sec. 1007.003. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of:

(1) Presidio County, including all "cut over" or "banco" land on the north side of the Rio Grande; and

(2) Brewster County.

Sec. 1007.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.

Sec. 1007.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1007.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from single-member voting subdistricts established by the board.

(b) The board shall revise each single-member subdistrict after each federal decennial census to reflect population changes. At the first election after the subdistricts are revised, a new director shall be elected from each subdistrict. The directors shall draw lots to determine which two directors shall serve two-year terms and which three directors shall serve four-year terms.
(c) Directors serve staggered four-year terms.
(d) An election shall be held on the uniform election date in May of each even-numbered year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.052. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election must be published one time in a newspaper with general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be a candidate for or serve as a director unless the person is:
(1) a district resident; and
(2) a qualified voter.
(b) A person is not eligible to serve as a director if the person is:
(1) a district employee;
(2) a party to a contract with the district to perform services for compensation; or
(3) a physician who has staff privileges at a district facility.
(c) A person who is elected from a single-member subdistrict or who is appointed to fill a vacancy for a single-member subdistrict must reside in that subdistrict.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall qualify for office by executing a good and sufficient commercial bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the
director's duties.
(b) The district shall pay for the directors' bonds.
(c) Each director's bond and constitutional oath or affirmation
of office shall be deposited in the district depository for
safekeeping.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1007.055. OFFICERS. The board shall elect from among its
members a president, secretary, and treasurer at the first meeting of
the board after each directors' election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1007.056. COMPENSATION; EXPENSES. A director serves
without compensation but is entitled to reimbursement for necessary
expenses incurred in the performance of official duties.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1007.057. DISTRICT ADMINISTRATOR. (a) The board may
employ a district administrator to manage the operations of the
hospital system.
(b) The district administrator may employ necessary personnel
to perform the services provided by the system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1007.058. EMPLOYEES. The board may employ an attorney,
general manager, bookkeeper, architect, and other employees necessary
for the efficient operation of the district.
Sec. 1007.059. RETIREMENT BENEFITS. The board may enter into any contract or agreement with this state or the federal government that is required to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. The board shall:

(1) maintain all district records, including books, accounts, notices, minutes, and other matters of the district and its operation, at the district office; and

(2) make those records available for public inspection at reasonable times.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1007.101. DISTRICT RESPONSIBILITY. The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations to provide hospital service or medical care in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1007.103. MEDICAL SERVICES FOR PRESIDIO COUNTY. (a) The board shall periodically review the feasibility and desirability of operating a hospital in Presidio County.

(b) The district shall operate a facility that provides medical services in Presidio County. At a minimum, the facility must provide outpatient medical services to the district's residents.

(c) The board may contract or otherwise cooperate with another entity to provide the services required by Subsection (b).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.104. MANAGEMENT AND CONTROL OF DISTRICT. The management and control of the district is vested in the board, and the board has full power to manage and control the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.105. HOSPITAL SYSTEM. The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.106. RULES. (a) The board shall adopt rules for the efficient operation of the district, including district facilities.

(b) The board shall:

(1) publish the rules in book form; and

(2) provide copies to interested persons on request at district expense.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1007.107. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. The board may sell, lease, or otherwise dispose of property, including facilities or equipment, for the district. The sale or other disposal must be at a public sale and at a price and on terms the board determines are most advantageous to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.109. SURPLUS PROPERTY. The board may donate to another governmental entity or to a charitable organization any surplus personal property or equipment if the donation serves a public purpose and is accompanied by adequate consideration.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.110. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any real, personal, or mixed property located in district territory if the interest is necessary or convenient for the district to exercise a power or duty conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding, the district is not required to:
(1) pay in advance or provide a bond or other security for costs in the trial court; or
(2) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.112. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR HOSPITAL AND MEDICAL CARE. The board may contract with another political subdivision to provide hospital and medical care for needy persons who reside outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.113. PAYMENT FOR TREATMENT; PROCEDURE. (a) A person who resides in the district is entitled to receive necessary medical and hospital care regardless of whether the person has the ability to pay for the care.

(b) The board by rule shall adopt a procedure for determining:
(1) the ability of a patient to pay for the patient's medical and hospital care; and
(2) the amount each patient is required to pay.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1007.151. BUDGET. The board shall prepare a budget that includes:

(1) proposed expenditures and disbursements;
(2) estimated receipts and collections for the next fiscal year; and
(3) the amount of taxes required to be imposed to meet the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.
(b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.
(c) Any person who owns taxable property in the district and has rendered that property for taxation is entitled to:
   (1) appear at the hearing; and
   (2) be heard regarding any item in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.153. FISCAL YEAR. The district's fiscal year is from October 1 to September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.154. ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.
(b) Not later than December 1 each year, the board shall file a copy of the audit with:
   (1) the comptroller; and
   (2) the district.
Sec. 1007.155. DEPOSITORY. (a) The board by resolution shall designate a bank in Brewster or Presidio County as the district's depository. The designated bank serves for two years and until a successor is designated.

(b) All district money shall be deposited in the depository and secured in the manner provided for securing county funds.

Sec. 1007.201. BONDS. The district may issue bonds to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements; and

(2) equip buildings for hospital purposes.

Sec. 1007.202. TAX TO PAY BONDS. The board may issue bonds under Section 1007.201 only if the board imposes an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

Sec. 1007.203. BOND ELECTION. (a) The board may issue bonds under Section 1007.201 only if the bonds are authorized by a majority of the district voters voting in an election held for that purpose. The total face value of the bonds may not exceed the amount specified in the election order.

(b) The board may order a bond election at any time.

(c) The order calling an election must include:
(1) the time of the election;
(2) the location of the polling places;
(3) the form of the ballots;
(4) the presiding judge for each polling place;
(5) the purpose of the bond issuance;
(6) the amount of the proposed bond issuance;
(7) the maximum interest rate of the bonds; and
(8) the maximum maturity of the bonds.

(d) A substantial copy of the election order shall be published in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first notice must be published not later than the 14th day immediately preceding the day of the election.

(e) A copy of the election results must be filed with the county clerk and become a public record.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.204. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1007.205. EXECUTION OF BONDS. (a) The board president shall execute the bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1007.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used only to:

(1) pay the interest on and create a sinking fund for bonds
issued under this chapter;
    (2) provide for the operation and maintenance of the
district and hospital system;
    (3) make improvements and additions to the hospital system;
and
    (4) acquire sites for additions to the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1007.252. TAX RATE. The board may impose the tax at a
rate not to exceed 75 cents on each $100 valuation of all taxable
property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1007.253. TAX ASSESSOR-COLLECTOR. The tax assessor-
collector for Brewster or Presidio County shall collect taxes for the
district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

CHAPTER 1008. CHILlicoTHE HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1008.001. DEFINITIONS. In this chapter:
    (1) "Board" means the board of directors of the district.
    (2) "Director" means a member of the board.
    (3) "District" means the Chillicothe Hospital District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
April 1, 2007.

Sec. 1008.002. AUTHORITY FOR OPERATION. The Chillicothe
Hospital District operates and is administered and financed in
accordance with Section 9, Article IX, Texas Constitution.
Sec. 1008.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners Precinct No. 3 of Hardeman County, Texas, as those boundaries existed on April 26, 1979.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support or maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1008.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large.

(b) The board shall declare the results of the election.
(c) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.052. NOTICE OF ELECTION. At least 30 days before the date of an election of directors, notice of the election shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.053. BALLOT APPLICATION. (a) A person must file an application with the board secretary to have the person's name printed on the ballot as a candidate for director.

(b) The application must be filed at least 45 days before the date of the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) a resident of the district; and
(2) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:

(1) the district administrator;
(2) the attorney for the district; or
(3) a district employee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF
OFFICE. (a) Each director may be required to execute a good and sufficient bond for $5,000 that is:
   (1) approved by the Commissioners Court of Hardeman County;
   (2) payable to the district; and
   (3) conditioned on the faithful performance of the director's duties.
(b) The district may pay for the directors' bonds with district money.
(c) Each director's bond and constitutional oath or affirmation of office shall be kept in the permanent records of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.057. OFFICERS. (a) The board shall elect:
   (1) a president and a vice president from among its members; and
   (2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.058. COMPENSATION. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
   (1) reported in the district's records; and
   (2) approved by the board.
Sec. 1008.059. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Sec. 1008.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.
(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.
(c) On assuming the duties of district administrator, the administrator may execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
(1) is conditioned on the administrator performing the administrator's required duties; and
(2) contains other conditions the board may require.
(d) The board may pay for the bond with district money.

Sec. 1008.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Sec. 1008.062. ATTORNEY; ASSISTANT DISTRICT ADMINISTRATOR. (a) The board may appoint qualified persons as:
(1) the attorney for the district; and
(2) the assistant district administrator.
(b) The attorney for the district and the assistant district administrator serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.063. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any physicians the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

(d) The board may spend district money to recruit physicians, nurses, and other trained medical personnel. The board may pay the tuition or other expenses of a full-time medical student or other student in a health occupation who:

(1) is enrolled in and is in good standing at an accredited medical school, college, or university; and

(2) contractually agrees to become a district employee or independent contractor in return for that assistance.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.064. PERSONNEL CONTRACTS. (a) The board may contract to provide administrative or other personnel for the operation of the hospital facilities.

(b) The contract may not have a term of more than 25 years.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.065. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

...
(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the
district is eligible to participate.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1008.101. DISTRICT RESPONSIBILITY. The district has full responsibility to:
(1) operate all hospital facilities; and
(2) provide medical and hospital care for the district's needy residents.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:
(1) acquiring, purchasing, constructing, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the system for hospital purposes.
(b) The hospital system may include any facilities the board considers necessary for hospital care.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.
(b) The board may:
(1) purchase or lease property, including facilities or equipment, for the district to use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.
(c) The board may lease district hospital facilities to individuals, corporations, or other legal entities.
(d) The board may sell or otherwise dispose of the district's property.
Sec. 1008.108. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.109. INTERLOCAL AGREEMENT. The board may enter into an interlocal agreement with another political subdivision to operate the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.110. SERVICE CONTRACTS. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services as to facilities for the medical care, hospital, or welfare needs of district residents.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.111. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a right, power, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021, Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for
costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.112. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, electric transmission, telegraph or telephone lines, conduits, poles, or facilities, or pipeline, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.113. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for a purpose and under a written direction, limitation, or provision of the donor that is consistent with the proper management and objectives of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.114. CONTRACTS FOR SERVICES TO CERTAIN PERSONS. (a) The board may contract with a county or municipality located outside the district's boundaries to reimburse the district for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the state or agency to reimburse the district for the treatment
of a sick or injured person.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.115. PAYMENT FOR TREATMENT; PROCEDURES.  (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue a final order.

(f) The final order may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.116. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.
Sec. 1008.117. ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. Contracts for construction involving the expenditure of more than $15,000 may be made only after advertising as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER D. DISSOLUTION

Sec. 1008.151. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by a number of residents of the district equal to at least 15 percent of the registered voters in the district.

(d) The election shall be held not later than the 60th day after the date the election is ordered.

(e) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(f) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.152. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week
for two consecutive weeks the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.153. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Chillicothe Hospital District."

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.154. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.155. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Hardeman County or another governmental agency in Hardeman County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or agency assumes all debts and obligations of the
district at the time of the transfer, and the district is dissolved.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.156. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) Notwithstanding any other provision of this subchapter, the district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person or entity.

(b) The dissolution of the district and the sale or transfer of the district's assets or liabilities may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of the residents of the district, including the residents' collective property rights in the district's assets. The district may not transfer or dispose of the district's assets except for due compensation unless the transfer is made to another governmental agency that serves the district and the transferred assets are to be used for the benefit of the district's residents.

(d) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.157. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and
(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each
district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.158. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Hardeman County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Hardeman County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1008.201. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand in each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenues and balances available
to cover the proposed budget; and
   (7) the estimated tax rate required.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget. (b) The board shall publish notice of the hearing in accordance with Subchapter C, Chapter 551, Government Code. (c) Any district resident is entitled to be present and participate at the hearing. (d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants. (e) The budget is effective only after adoption by the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.203. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.204. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.205. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.
(b) The fiscal year may not be changed:
   (1) during a period that revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.206. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.207. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.208. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:
   (1) a complete sworn statement of all district money; and
   (2) a complete account of the disbursements of that money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.209. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1008.210, and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on
(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank has first executed a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.210. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by this chapter, the district may not incur an obligation payable from district revenues other than the revenues on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.211. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than
the fifth anniversary of the date the loan is made.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

**SUBCHAPTER F. BONDS**

Sec. 1008.251. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1008.251, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.253. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting at an election held for that purpose.

(b) The board must specify in the order calling the election:

(1) the date of the election;

(2) the location of the polling places;

(3) the presiding and alternate election judges for each
polling place;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.
(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.
(d) Chapter 41, Election Code, does not apply to an election held under this section.
(e) The board shall declare the results of the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Amended by:
   Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.003, eff. September 1, 2007.

Sec. 1008.254. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.255. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.
   (b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.256. REVENUE BONDS. (a) The board may issue revenue bonds to:
   (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
   (2) acquire sites to be used for hospital purposes.
   (b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the
district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.257. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the bonds to be refunded; or

(2) exchanged in whole or in part for not less than a similar principal amount of outstanding indebtedness.

(c) If a refunding bond is sold, the bond must be issued and the payments must be made in the manner provided by Chapter 1207, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1008.258. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer and issuance of the bonds; or

(3) profits made in the sale of the bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER G. TAXES

Sec. 1008.301. IMPOSITION OF AD VALOREM TAX. (a) The board
shall impose a tax on all property in the district subject to
district taxation.

(b) The tax may be used to pay:
   (1) indebtedness issued or assumed by the district; and
   (2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of
or interest on revenue bonds issued under this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
April 1, 2007.

Sec. 1008.302. TAX RATE. (a) The board may impose the tax at
a rate not to exceed the limit approved by the voters at the election
authorizing the imposition of the tax.

(b) The tax rate on all taxable property in the district for
all purposes may not exceed 75 cents on each $100 valuation of all
taxable property in the district.

(c) In setting the tax rate, the board shall consider the
income of the district from sources other than taxation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
April 1, 2007.

Sec. 1008.303. TAX ASSESSOR-COLLECTOR. The board may provide
for the appointment of a tax assessor-collector for the district or
may contract for the assessment and collection of taxes as provided
by the Tax Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
April 1, 2007.

CHAPTER 1009. COCHRAN MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1009.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Cochran Memorial Hospital

District.
Sec. 1009.002. AUTHORITY FOR CREATION. The Cochran Memorial Hospital District is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Cochran County, Texas.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
April 1, 2007.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 1009.051. BOARD; ELECTION.  (a) The board consists of five elected directors.

(b) One director is elected from each county commissioners precinct and one director is elected from the district at large.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.052. TERM. Directors serve staggered two-year terms unless a four-year term is established under Section 285.081, Health and Safety Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.053. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Cochran County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.054. BALLOT PETITION. (a) A person who wants to have the person's name printed on the ballot as a candidate for director must file a petition requesting that action.

(b) The petition must be:

(1) signed by at least 10 qualified voters; and

(2) filed at least 25 days before the date of the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1009.055. QUALIFICATIONS FOR OFFICE. To qualify for election to the board, a person must:

1. be a resident of Cochran County; and
2. own property in Cochran County subject to taxation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.056. FILING OF OATH. The constitutional oath of office executed by a director must be filed in the district's office.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.057. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, the county judge of Cochran County may fill the vacancies by appointment.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.058. OFFICERS. The board shall elect from among its members a president, vice president, and secretary.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.059. COMPENSATION. A director is entitled to compensation at a rate determined by the board. The rate may not exceed $10 for each board meeting.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
Sec. 1009.060. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The board shall:

(1) keep an account of all board meetings and proceedings; and

(2) maintain at the district's principal office all district records and accounts, including all contracts, notices, duplicate vouchers, and duplicate receipts.

(b) The information described by Subsection (a) shall be open to public inspection at the district's principal office at all reasonable times.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.062. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.

(a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant to the district administrator.

(c) The district administrator and any assistant administrator serves at the will of the board and is entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount of not less than $10,000 to be set by the board that:

(1) is conditioned on the administrator performing the administrator's required duties; and

(2) contains other conditions the board may require.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.
April 1, 2007.

Sec. 1009.063. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.064. EMPLOYEES. The board may employ nurses, technicians, and other lay personnel considered necessary for the efficient operation of the district or may delegate that authority to the district administrator.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.065. RETIREMENT PROGRAM. The board may enter into a contract or agreement with this state or the federal government to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1009.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care of indigent patients; and
(2) providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1009.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. Cochran County or a municipality in Cochran County may not levy taxes or issue bonds or other obligations for hospital purposes or medical care.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district and the district's hospitals and hospital system.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system by:

1. purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
2. equipping the buildings; and
3. administering the buildings and equipment for hospital purposes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

1. the method and manner of making purchases and
expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.107. RATES AND CHARGES. The board shall establish the rates and charges for:
(1) services;
(2) supplies; and
(3) the use of district facilities.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.108. HOSPITAL LEASE. The board may lease a district hospital to a qualified doctor or group of doctors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.110. GIFTS AND ENDOWMENTS. The board may accept on behalf of the district a gift or endowment to be held in trust and administered by the board for a purpose and under a written direction, limitation, or provision prescribed by the donor that is not inconsistent with the proper management and objectives of the
Sec. 1009.111. CONTRACTS FOR SERVICES TO CERTAIN PERSONS. (a) The board may contract with a county or a municipality located outside Cochran County for the care and treatment of a sick or injured person of that county or municipality. (b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom the state or the federal government is responsible.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an indigent patient has been admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of: (1) the patient; and (2) the patient's relatives who are legally liable for the patient's support. (b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the patient's care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district. (c) If the district administrator determines that the patient or those relatives can pay all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to financial ability and may not exceed the actual per capita cost of maintenance. (d) The district administrator may collect the amount from the patient's estate, or from a relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person. (e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a
hearing and, after calling witnesses, shall:

1. resolve the dispute or doubt; and
2. issue an appropriate order.

(f) A party to the dispute who is not satisfied with the order may appeal to the district court. The appeal shall be by trial de novo as that term is used in an appeal from a justice court to the county court.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.113. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1009.151. BUDGET; NOTICE OF HEARING. (a) The district administrator shall prepare an annual budget for approval by the board. The budget must be for the fiscal year prescribed by Section 1009.152.

(b) Not later than August 31 of each year, the board shall give notice of a public hearing on the proposed budget. The notice must be published in a newspaper of general circulation in Cochran County at least 10 days before the date of the hearing.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.152. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.153. ANNUAL AUDIT. (a) The district annually shall
have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.154. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursement of that money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.155. DEPOSITORY. (a) The board shall select one or more banks in Cochran County to serve as a depository for district money.

(b) All district money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to the appropriate bank to pay the principal of and interest on the district's outstanding bonds or other obligations on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being selected as a depository.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER E. BONDS

Sec. 1009.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and
credit of the district to purchase, construct, acquire, repair, or renovate buildings and improvements and to equip the buildings and improvements for a hospital and the hospital system.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1009.201, the board shall impose an ad valorem tax in an amount sufficient to:

(1) create an interest and sinking fund; and
(2) pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed 75 cents on each $100 assessed value of all taxable property in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board shall call the election. The election must be held in accordance with Chapter 1251, Government Code.

(c) The bond election order must specify:

(1) the date of the election;
(2) the amount of bonds to be authorized;
(3) the maximum maturity of the bonds;
(4) the maximum interest rate of the bonds;
(5) the location of the polling places; and
(6) the presiding election officers.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.
Sec. 1009.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall attest the bonds as provided by Chapter 618, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding general obligation bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or

(2) exchanged in whole or in part for not less than a like principal amount of the bonds to be refunded.

(c) If a refunding bond is sold, the bond must be issued and the payments must be made in the manner provided by Subchapters B and C, Chapter 1207, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.206. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer of the bonds; and
(3) the bond revenues and profits made in the sale of the bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER F. TAXES

Sec. 1009.251. IMPOSITION OF AD VALOREM TAX. The board shall impose a tax on all property in the district subject to district
taxation in the manner provided by law for county taxes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.252. TAX ASSSESSOR-COLLECTOR. (a) The tax assessor-collector of Cochran County shall collect taxes imposed by the district and promptly transfer the money collected to a district depository.

(b) The assessor-collector shall receive the compensation provided for by contract with the district, except the compensation may not exceed the amount allowed for assessment and collection of county taxes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

CHAPTER 1010. BURLESON COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1010.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Burleson County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.002. AUTHORITY FOR OPERATION. The district operates under and has the rights, powers, and duties provided by Section 9, Article IX, Texas Constitution, and this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.003. ESSENTIAL PUBLIC FUNCTION. The district is a governmental agency performing an essential public function in carrying out the purposes of this chapter.
Sec. 1010.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Burleson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the board by resolution or order may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1010.051. BOARD ELECTION; TERM. (a) The district is governed by a board of 11 elected directors.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve two-year terms; and

(2) the terms of the five directors elected to even-numbered places expire in even-numbered years and the terms of the six directors elected to odd-numbered places expire in odd-numbered years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.052. QUALIFICATIONS FOR OFFICE. To serve as a director, a person must be:

(1) at least 21 years of age; and

(2) a qualified voter of the district.
Sec. 1010.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) As soon as practicable after a director is elected or appointed, the director shall execute a bond for $5,000 that is:
   (1) approved by the board;
   (2) payable to the district; and
   (3) conditioned on the faithful performance of the director's duties.
   (b) Each director's bond and constitutional oath or affirmation of office shall be filed with the district and retained in the district's records.

Sec. 1010.054. BOARD VACANCY. If a vacancy occurs in the office of director, the board shall promptly appoint a director for the unexpired term.

Sec. 1010.055. OFFICERS. (a) The board shall elect from its membership a president, a vice president, a secretary, a treasurer, and any other officers the board considers necessary. The district's depository bank may be designated as district treasurer.
   (b) The president is the district's chief executive officer and shall preside at all board meetings. The vice president shall act as president if the president is absent or disabled.
   (c) The secretary shall:
      (1) act as president if both the president and vice president are absent or disabled;
      (2) act as secretary of the board; and
      (3) see that all district records and books are properly kept.
   (d) The board may appoint an assistant or deputy secretary to
assist the secretary. The assistant or deputy secretary may certify the authenticity of any district record, including any proceeding related to district contracts or bonds or other indebtedness.

(e) The board may require an officer to execute a bond that is:
   (1) payable to the district; and
   (2) conditioned on the faithful performance of the officer's duties.

(f) If a vacancy occurs in an office, the board shall appoint a replacement for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.056. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for travel or other expenses incurred on the district's behalf if:
   (1) the director presents a verified statement; and
   (2) the board approves the expenses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.057. VOTING REQUIREMENT. A concurrence of six directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.058. MEETINGS. (a) The board:
   (1) shall hold the board's meetings at the board's designated meeting place;
   (2) may establish a schedule of regular meetings to conduct district business; and
   (3) may hold special meetings at other times as district business requires.

   (b) Except as provided by this section, Chapter 551, Government Code, applies to board meetings.

   (c) If there is an emergency or urgent public necessity,
posting of notice of a board meeting is not required.

(d) Failure to post notice does not affect the validity of an action taken at a regular board meeting. Failure to post notice may affect the validity of an action taken at a special meeting unless the board declares, by an action taken at the special meeting, that an emergency exists.

(e) Any interested person may attend a board meeting.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.059. PERSONNEL. (a) The board shall employ or contract with all persons the board considers necessary or advisable to conduct district affairs, including doctors, nurses, medical technicians, engineers, architects, attorneys, financial advisors, a hospital administrator, bookkeepers, auditors, and secretaries.

(b) The board shall determine the powers, duties, terms of office, and compensation of all employees and consultants by contract or by resolution or order of the board. The board may delegate to any district employee any power that the board considers advisable.

(c) The board may remove any employee.

(d) The board may require an employee to execute a bond payable to the district and conditioned on the faithful performance of the employee's duties.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.060. DUTIES OF MANAGER. The district may delegate to the manager the power to:

(1) manage and operate the district hospital or hospital system or a portion of the district hospital or hospital system; and

(2) employ and discharge employees or appoint and remove doctors from the staff.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1010.061. RETIREMENT, DISABILITY, AND DEATH COMPENSATION FUND. (a) The board may:
(1) provide for and administer a retirement, disability, and death compensation fund for district officers and employees; and
(2) adopt a plan to effectuate the purpose of this section, including the forms of insurance and annuities that the board considers advisable.
(b) The board may change a plan or rule after notice to the employees and a hearing.
(c) As the board considers advisable, the board may invest money provided:
(1) from the compensation of officers and employees participating in the fund and plan authorized by this section; and
(2) by the district for the retirement, disability, and death compensation fund after the money has been received by the district.
(d) The board may invest the money in:
(1) bonds of the United States, this state, or any political subdivision of this state;
(2) bonds issued by any agency of the United States if the payment of the principal and interest is guaranteed by the United States; and
(3) life insurance policies, endowment or annuity contracts, or interest-bearing certificates of legal reserve life insurance companies authorized to write the contracts in this state.
(e) A sufficient amount of money shall be kept on hand to meet the immediate payment of amounts likely to become due each year out of the fund as determined by the board.
(f) The recipients or beneficiaries of the fund are not eligible for any other pension, retirement fund, or direct aid from this state unless the fund created under this chapter is released to the state as a condition precedent to receiving the other pension or aid or the joining of any other system.
(g) The board may:
(1) include hospitalization and medical benefits to district officers and employees as part of the compensation currently paid to the officers and employees;
(2) adopt a plan or rule in connection with the benefits provided under Subdivision (1); or
(3) amend or change a plan or rule adopted under
Subdivision (2) as the board determines.

(h) The board may contract with the state and federal governments as necessary to establish and continue a retirement program for the benefit of the district's employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.062. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The district shall maintain records and accounts in which full and proper entries are made of:

(1) all dealings, transactions, and business matters that in any way affect or relate to the district; and

(2) the allocation and application of all revenue relating to the dealings, transactions, and business matters.

(b) The district records, including the audit report, shall be available for public inspection at reasonable hours and under reasonable circumstances.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.063. SEAL. The board shall adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1010.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION
AND DEBT. A political subdivision other than the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.103. MANAGEMENT AND CONTROL. The board shall manage and control all district affairs.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital or hospital system in the district by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements for hospital and medical care purposes; and

(2) equipping the buildings and improvements for those purposes.

(b) The district shall provide for the administration, maintenance, and operation of the hospital or hospital system to furnish hospital and medical care in the district.

(c) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(d) The hospital system may include:

(1) domiciliary hospital care of the sick or injured;
(2) outpatient clinics;
(3) dispensaries;
(4) geriatric domiciliary care;
(5) convalescent home facilities;
(6) necessary nurses;
(7) domiciliaries and training centers;
(8) blood banks;
(9) community health centers;
(10) research centers or laboratories; and
(11) any other facilities that the board considers necessary for hospital care.
Sec. 1010.105. DISTRICT ELECTIONS. (a) Each district election shall be called by resolution or order of the board. The order or resolution must specify:

(1) the date of the election;
(2) the proposition to be submitted and voted on;
(3) the polling place; and
(4) any other matter considered necessary or advisable by the board.

(b) Notice of each district election shall be given by publishing one time a substantial copy of the election resolution or order in a newspaper of general circulation in the district at least 20 days before the date set for the election.

(c) The board shall declare the results of a district election.

Sec. 1010.106. BYLAWS. The board may adopt bylaws to govern:

(1) the time, place, and manner of conducting board meetings;
(2) the powers, duties, and responsibilities of the board's officers and employees;
(3) the disbursement of money by check, draft, or warrant;
(4) the appointment and authority of board committees;
(5) the keeping of records and accounts; and
(6) other matters the board considers appropriate.

Sec. 1010.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a right, power, or privilege conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide bond or other security for costs in the trial court;
(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.108. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, electric transmission, telegraph or telephone lines, conduits, poles, or facilities, or pipeline, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent, in the board's opinion, with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1010.110. OPERATING AND MANAGEMENT CONTRACTS. The district may enter into an operating or management contract with any person regarding any district hospital or any part of the district hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.111. CONTRACT IN NAME OF DISTRICT. The district shall contract in the name of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.112. CONTRACTS FOR CARE AND TRAINING. (a) The district may contract with this state, including agencies of this state, or the United States for:

(1) the rendition of hospital or medical care; and
(2) the training of doctors, nurses, and other health care disciplines.

(b) The board may contract with any lessee of the district's hospitals or any other person to provide hospital care to needy district inhabitants for payments and terms and under conditions that the board considers to be in the district's best interests.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with any political subdivision or governmental agency for investigatory or other services as to:

(1) the hospital or medical needs of district inhabitants; or
(2) the hospital or medical care of the inhabitants of the other political subdivision or governmental agency.
Sec. 1010.114. MISCELLANEOUS CONTRACT REQUIREMENTS. (a) The board may not enter into a contract calling for or requiring the expenditure, payment, or creation or imposition of an obligation or liability of any nature on the district in excess of $5,000, unless the proposed contract is first submitted to competitive bids.

(b) Notice of the time and place the contract will be awarded must be published once a week for two consecutive weeks in a newspaper of general circulation in the district. The first notice must be published not later than the 14th day before the date set for the receipt of bids. The notice must specify that the plans and specifications for the proposed project, or the specifications for the machinery, supplies, equipment, or materials to be purchased, are on file with a designated district representative for examination without charge.

(c) A contract for construction or the purchase of materials, equipment, supplies, or machinery awarded under this chapter shall be awarded to the lowest responsible bidder and may be awarded on a lump-sum basis or on a unit price basis, as the board shall determine.

(d) After performance of a construction contract has started, the board may approve change orders necessary to:

(1) change the plans or specifications; or
(2) decrease or increase:
   (A) the quantity of work to be performed; or
   (B) the materials, equipment, or supplies to be furnished.

(e) The board may not increase the total contract price by a change order under Subsection (d) unless the board provides for the payment of the added cost by appropriating current or bond funds for that purpose, but the original contract price may not be increased by more than 25 percent.

(f) The original contract price may not be decreased by more than 25 percent without the consent of the contractor.

(g) The board may reject any bid. If a contract is for the construction of public works and requires the expenditure of $5,000 or more, a successful bidder is required to give a good and
sufficient payment bond and performance bond. Each bond must:

(1) be in the full amount of the contract price; and
(2) be executed by a surety company authorized to do business in this state under Chapter 2253, Government Code.

(h) This section does not apply to:

(1) Section 1010.104(b), 1010.110, 1010.115, or 1010.117;
(2) a contract for personal or professional services; or
(3) the purchase of land, buildings, or rights-of-way.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.115. LEASES. (a) The district through the board may lease all or part of the buildings and facilities comprising the hospital system to any person on terms the board considers to be in the district's best interest. The term of a lease may not exceed 40 years.

(b) When leasing a building or other facility, the board may delegate as it considers appropriate the board's power to manage, control, and administer the leased buildings and facilities to furnish hospital care.

(c) For each leased building or other facility, the board shall provide that the lessee charges sufficient rates for services rendered or goods provided at the leased premise that together with other sources of the lessee's revenue produce an amount sufficient to enable the lessee to pay the expenses of operating and maintaining the leased premise as the lessee is required to pay under the lease. The rates also must enable the lessee to pay lease rentals to the district that will be sufficient, when taken with any other source of the district's estimated revenue that are pledged for the same purpose, to:

(1) pay the interest on any revenue or special obligation bonds that are payable wholly or partly from the lease rentals;
(2) create and maintain a sinking fund to pay the principal of and premium, if any, on the bonds as they become due;
(3) create and maintain a bond reserve fund and other fund as required by the bond resolution or trust indenture authorizing the issuance of the bonds; and
(4) pay all other charges, fees, costs, and expenses that
the lessee is required to pay under the resolution or indenture.

(d) The lease, management agreement, bond resolution, or trust indenture may prescribe systems, methods, routines, procedures, and policies for the operation of the buildings and other facilities owned by the district. If all or part of the district's buildings or other facilities are leased, the district may delegate to the lessee the duty to establish the systems, methods, routines, procedures, and policies needed for the operation of the leased premise.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.116. PURCHASING. The board may purchase any material, supply, equipment, or vehicle needed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.117. DISPOSITION OF PROPERTY. The district may sell or otherwise dispose of any type of property, including equipment, on terms the board finds are in the best interest of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.118. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the board or a board representative may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the board or the board's authorized representative determines that the patient or those relatives cannot pay all or part of the costs of the patient's care and treatment, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the inquiry under Subsection (a) discloses that the patient or those relatives can pay for all or part of the costs of
the patient's care and treatment, the board shall order the patient or those relatives to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, the board shall hear and determine the issue, after calling witnesses.

(f) The final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.119. REIMBURSEMENT FOR SERVICES TO NONRESIDENTS. If a welfare patient, who is not a district resident, is admitted to a district facility, the district may:

(1) seek reimbursement from the patient's county of residence; and

(2) sue for reimbursement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.120. AUTHORITY TO SUE AND BE SUED; SERVICE OF PROCESS. (a) The district, through its directors, may sue and be sued in the district's own name in any court of this state.

(b) Service of process in any suit may be made by serving any two directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1010.151. BUDGET. An annual budget for each fiscal year shall be prepared as directed by, and for approval of, the board.
Sec. 1010.152. AMENDMENTS TO BUDGET. The board may amend the budget as the board considers necessary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.153. FISCAL YEAR. The district's fiscal year ends on the last day of April. The board may change the fiscal year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.154. ANNUAL AUDIT. (a) The board shall have an independent certified public accountant audit all transactions relating to the district for each fiscal year.

(b) The accountant's audit report shall be submitted to the board not later than the 90th day after the date the fiscal year ends.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.155. DEPOSITORY. (a) The board shall select one or more banks to serve as the district's depository.

(b) District money shall be deposited as received with the district's depository bank.

(c) All deposits shall be secured in the manner provided for securing county funds. Deposits may be placed on time deposit or used to purchase certificates of deposit.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1010.156. INVESTMENT OF DISTRICT MONEY. The board may invest district money in:

(1) bonds of the United States, this state, or any political subdivision of this state; or
(2) bonds issued by any agency of the United States if the payment of the principal and interest is guaranteed by the United States.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1010.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings and improvements for hospital purposes; and
(2) equipping buildings or improvements for those purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1010.201, the board shall impose an ad valorem tax on all property in the district subject to district taxation at a rate sufficient to:

(1) pay the interest on the bonds as the interest comes due; and
(2) provide and maintain a sinking fund adequate to pay the principal on the bonds as the principal matures.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.203. REVENUE AND SPECIAL OBLIGATION BONDS. (a) The
district may issue revenue or special obligation bonds as authorized by the laws of this state relating to the issuance of revenue or special obligation bonds, including Sections 264.042-264.049 and 284.031, Health and Safety Code.

(b) Bonds issued under this section may be payable from and secured by revenue, encumbrances, and mortgages as authorized by law. Any maintenance and operating expense of the system that is charged against the revenue of the system may include only items set forth and defined in the proceedings authorizing the bond issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.204. BOND ELECTION. (a) The district may not issue bonds unless the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) A proposition to authorize the issuance of district bonds may be submitted at any district election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.205. MATURITY OF BONDS. District bonds, including revenue bonds, must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.206. EXECUTION OF BONDS. Bonds shall be signed and executed as provided by the board in the resolution or order authorizing the issuance of bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.207. BONDS EXEMPT FROM TAXATION. The following are
exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued or assumed by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.208. REFUNDING OR FUNDING AND RETIRING CERTAIN OLDER BONDS. (a) This section applies only to bonds approved in an election held before May 31, 1991.

(b) Except as provided by Subsection (c) and notwithstanding any legal defect in the incurrence, issuance, or assumption of the obligation or indebtedness, the board may issue and sell bonds in the name and on the faith and credit of the district to refund or fund and retire any outstanding obligation or other indebtedness the district has incurred, issued, or assumed.

(c) The board may not use the power granted by this section to convert Farmers Home Administration bonds to tax bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1010.251. TAX ELECTION. The district may impose a tax only if authorized by a majority of the district voters voting in an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.252. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax shall be imposed for and may be pledged to:
(1) meet the requirements of district bonds;
(2) provide for the district's maintenance and operating
expenses, including the cost of contract payments for hospital care for needy district inhabitants;

(3) make improvements and additions to the district's hospitals or hospital system; and

(4) acquire necessary sites for hospitals or the hospital system by gift, purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.253. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider all district income, including income from sources other than taxation that are available for the purposes described by Section 1010.252(b).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.254. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1010.255 or 1010.256.

(b) The tax assessor-collector of Burleson County shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.255. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by the board.

(b) The district tax assessor-collector must:

(1) reside in the district; and

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(2) own real property subject to district taxation.

(c) The board shall set for the district tax assessor-collector:

(1) the terms of employment; and

(2) compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.256. ASSESSMENT AND COLLECTION BY TAX ASSESSOR-COLLECTOR OF ANOTHER POLITICAL SUBDIVISION. (a) The board may elect to have all or part of the district's taxes assessed and collected by a political subdivision in which any part of the district is located. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by the board.

(b) The tax assessor or collector of the political subdivision shall assess or collect the appropriate district taxes in accordance with the board's election under Subsection (a) and for the compensation agreed on by the board and the governing body of the political subdivision.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1011. SCHLEICHER COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1011.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Schleicher County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.002. AUTHORITY FOR OPERATION. The Schleicher County Hospital District operates in accordance with and has the powers and
responsibilities provided by Section 9, Article IX, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Schleicher County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1011.051. BOARD ELECTION; TERM. (a) Except as provided by Section 1011.064, the board consists of seven directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:
(1) directors serve staggered two-year terms; and
(2) a directors' election shall be held annually on a date authorized by Chapter 41, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1011.052. NOTICE OF ELECTION. At least 10 days before the date of a directors' election, notice of the election must be published one time in a newspaper of general circulation in Schleicher County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.053. BALLOT PETITION. (a) A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be signed by not fewer than 10 registered voters.

(b) The petition and an application for a place on the ballot that meets the requirements of the Election Code must be filed in the manner provided by Chapter 144, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.054. QUALIFICATIONS FOR OFFICE. A person may not be appointed or elected as a director unless the person is:

(1) a resident of the district; and

(2) at least 18 years of age at the time of the appointment or election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.055. BOND; RECORD OF BOND AND OATH. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond and constitutional oath of office
shall be deposited with the district's depository bank for
safekeeping.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1011.056. BOARD VACANCY. (a) If a vacancy occurs in the
office of director, the remaining directors shall appoint a director
for the unexpired term.

(b) If the number of directors is reduced to fewer than four
for any reason, the remaining directors shall immediately call a
special election to fill the vacancies. If the remaining directors
do not call the election, a district court, on application of a
district voter or taxpayer, may order the directors to hold the
election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1011.057. OFFICERS. The board shall elect from among its
members a president and a secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1011.058. COMPENSATION; EXPENSES. A director serves
without compensation but may be reimbursed for actual expenses
incurred in the performance of official duties on approval of the
expenses by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1011.059. VOTING REQUIREMENT. A concurrence of a majority
of directors is sufficient in any matter relating to district
business.
Sec. 1011.060. MEETINGS. (a) A board meeting may be called by the president or a majority of the directors.
   (b) Notice of the time and place of a board meeting must be given to each director not later than the seventh day before the time of the meeting.
   (c) This section does not prevent the board from establishing by resolution a regular time and place for meetings for which special notice is not required.

Sec. 1011.061. EMPLOYEES. The board may employ a general manager and other necessary professional and clerical personnel.

Sec. 1011.062. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1011.055, all district records, including books, accounts, notices, and minutes, and all other matters of the district and the operation of its facilities shall be:
   (1) maintained at the district office; and
   (2) open to public inspection at the district office at all reasonable hours.

Sec. 1011.063. SEAL. The board may adopt a seal for the district.
Sec. 1011.064. ALTERNATIVE ELECTION OF DIRECTORS BY PRECINCT.

(a) The board may adopt an order to elect directors from five districts according to the commissioners precinct method.

(b) If the board adopts an order under Subsection (a), one director is elected by the voters of the district at large and one director is elected from each county commissioners precinct by the voters of that precinct.

(c) Except as provided by Subsection (e), a person must be:
   (1) a resident of the district to be eligible to be a candidate for or to serve as a director at large; and
   (2) a resident of the precinct to be a candidate for or to serve as a director from that precinct.

(d) A person shall indicate on the application for a place on the ballot:
   (1) that the person seeks to represent the district at large; or
   (2) the precinct that the person seeks to represent.

(e) When the boundaries of the county commissioners precincts are redrawn to reflect population changes after each federal decennial census, a director in office on the effective date of the change, or elected or appointed before the effective date of the change to a term of office beginning on or after the effective date of the change, shall serve the term or the remainder of the term in the precinct to which elected or appointed even if the change in boundaries places the director's residence outside the precinct for which the director was elected or appointed.

(f) At the first directors' election after the adoption of an order under Subsection (a), five new directors shall be elected. After the canvass of the returns of the election, the terms of all directors serving at the time of the election expire.

(g) At the first meeting of the directors elected under this section, the directors shall draw lots to determine which three directors serve two-year terms and which two directors serve one-year terms. After the terms of the initial directors elected under this section expire, each director serves a two-year term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 1011.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's residents, including the district's needy and indigent residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION. Schleicher County or a municipality in Schleicher County may not impose a tax for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.103. MANAGEMENT AND CONTROL OF DISTRICT. The management and control of the district is vested in the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.104. RULES. (a) The board may adopt rules governing the operation of the district and district facilities.

(b) The rules, on approval by the board, may be published in booklet form at district expense and may be made available to any taxpayer on request.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.105. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:
(1) all accounting and control procedures; and
(2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.106. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory, if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide bond or other security for costs in the trial court;
   (2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.107. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1011.108. PROVISION OF SERVICES OUTSIDE DISTRICT. On approval of the board, the district may provide primary care, emergency services, preventive medical services, and other health-related services outside the district if the services serve the district's purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.109. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who claims to be indigent is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If it is determined that the patient or those relatives are liable to pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to their financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and

(2) issue any appropriate order.

(f) The order may be appealed to the district court.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1011.110. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court in this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1011.151. BUDGET. The board annually shall have a budget prepared for the next fiscal year that includes:

(1) proposed expenditures and disbursements;
(2) estimated receipts and collections; and
(3) the amount of taxes required to be imposed for the year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in Schleicher County not later than the 10th day before the date of the hearing.

(c) Any district taxpayer is entitled to:

(1) appear at the time and place designated in the notice; and
(2) be heard regarding any item included in the proposed budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.153. FISCAL YEAR. The district's fiscal year begins on January 1 and ends on December 31.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1011.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the preceding fiscal year.

(b) Not later than March 31 each year, the audit shall be filed:

(1) with the comptroller; and
(2) at the district's office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in Schleicher County as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.

(b) All income received by the district shall be deposited with the district depository.

(c) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1011.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to the purchase, construction, acquisition, repair, or renovation of buildings or improvements and equipping buildings and improvements for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued under Section 1011.201 as the bonds
(b) The tax required by this section together with any maintenance and operations tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election on its own motion.

(c) The order must specify:

(1) the location of the polling places;
(2) the presiding election officers;
(3) the purpose for which the bonds are to be issued;
(4) the amount of the bonds to be authorized;
(5) the maximum interest rate of the bonds; and
(6) the maximum maturity date of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order in a newspaper of general circulation in Schleicher County once each week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The
board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.206. REFUNDING BONDS. (a) District refunding bonds may be issued without an election and in the manner provided by this subchapter to refund outstanding bonds issued by the district.

(b) A refunding bond may be:
(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding bonds; or
(2) exchanged wholly or partly for not less than a similar amount of the outstanding bonds and the unpaid matured interest on those bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1011.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the budget, the board shall impose a tax on all taxable property in the district subject to district taxation.

(b) The board shall impose the tax to:
(1) pay the interest on and create a sinking fund for bonds issued by the district for hospital purposes as provided by this chapter;
(2) provide for the maintenance and operations of the hospital, hospital system, or related facilities;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1011.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1011.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Schleicher County shall assess and collect taxes imposed by the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1012. CHILDRESS COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1012.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Childress County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.002. AUTHORITY FOR CREATION. The district is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1012.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Childress County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1012.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

1. directors serve staggered two-year terms, with three directors elected in even-numbered years and four directors elected in odd-numbered years; and

2. a director's election shall be held each year on the May uniform election date prescribed by Section 41.001, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1012.052. QUALIFICATIONS FOR OFFICE. (a) To be eligible to hold office as a director, a person must be:

(1) a district resident; and
(2) a qualified voter.

(b) An employee of the district may not serve as a director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.053. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.054. OFFICERS. (a) The board shall elect a president and vice president from among its members.

(b) The board shall appoint a secretary, who need not be a director.

(c) The president has the same right to vote as any other director.

(d) If the president is absent or fails and declines to act, the vice president shall perform the president's duties and exercise the president's powers under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.055. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in attending to district business. The expenses must be:

(1) reported in the district's records; and
(2) approved by the remainder of the board.
Sec. 1012.056. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Sec. 1012.057. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The board shall:

(1) keep an account of all board meetings and proceedings; and

(2) maintain at the district's principal office all district records and accounts, including all contracts, notices, duplicate vouchers, and duplicate receipts.

(b) The information described by Subsection (a) shall be open to public inspection at the district's principal office at all reasonable times.

Sec. 1012.058. INDIVIDUAL LIABILITY OF DIRECTORS. A director is individually liable only for the director's individual misapplication of public money.

Sec. 1012.059. CHIEF EXECUTIVE OFFICER; ASSISTANT CHIEF EXECUTIVE OFFICER. (a) The board shall appoint a qualified person to be known as the chief executive officer of the district.

(b) The chief executive officer may appoint an assistant to the chief executive officer.

(c) The chief executive officer is entitled to the compensation determined by the board.
(d) The board may execute an employment contract with the chief executive officer for a term of not more than three years. The employment contract may be renewed or extended annually.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.060. GENERAL DUTIES OF CHIEF EXECUTIVE OFFICER. The chief executive officer shall:

(1) stay informed on the latest methods of hospital administration and the care of hospital patients; and
(2) subject to the limitations prescribed by the board:
   (A) supervise the work and activities of the district; and
   (B) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.061. EMPLOYEES. The board shall authorize the chief executive officer to employ nurses, technicians, and other employees for the efficient operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.062. LEGAL COUNSEL; OTHER PROFESSIONAL SERVICES. The board may employ legal counsel or contract for other professional services as the board considers advisable.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.063. RECRUITMENT OF MEDICAL PERSONNEL. (a) The board may spend district money to recruit physicians, nurses, and other trained medical personnel.

(b) The board may pay the tuition or other expenses of a full-
time medical student or other student in a health occupation who:
   (1) is enrolled in and is in good standing at an accredited medical school, college, or university; and
   (2) contractually agrees to become a district employee or independent contractor in return for that assistance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.064. PERSONNEL CONTRACTS. (a) The board may contract to provide administrative and other personnel for the operation of the hospital facilities.
(b) The term of the contract may not exceed 25 years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.065. EDUCATIONAL PROGRAMS; COURSES. The board may provide or contract for the provision of educational programs or courses for district employees and medical staff.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.066. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:
   (1) establishing or administering a retirement program; or
   (2) electing to participate in:
      (A) the Texas County and District Retirement System; or
      (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 1012.101. DISTRICT RESPONSIBILITY. The district has full
responsibility for:
(1) operating all hospital facilities for providing medical and hospital care to indigent persons in the district; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION AND DEBT. Childress County or a municipality in Childress County may not impose a tax or issue bonds or other obligations for hospital purposes or for medical treatment of indigent persons in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. (a) The board shall manage, control, and administer the district's hospitals and hospital system.
(b) The board may delegate to the chief executive officer the authority to manage, control, and administer the hospital, the hospital system, and the district's business, money, and resources under the board's oversight.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system by:
(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the buildings and equipment for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1012.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of the making of purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may:

(1) purchase or lease property, including facilities or equipment, for the district to use in the hospital system; and

(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease district hospital facilities to individuals, corporations, or other legal entities.

(d) The board may sell or otherwise dispose of the district's property, including facilities or equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power,
right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.110. CONSTRUCTION CONTRACTS. A construction contract that requires the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the agency is responsible.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1012.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the chief executive officer shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the chief executive officer determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the chief executive officer determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the chief executive officer shall issue an order directing the patient or those relatives to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The chief executive officer may collect the amount from the patient's estate, or from a relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) The board may institute a suit to collect an amount owed to the district by a patient who has not been determined under this section to be unable to pay.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the chief executive officer, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(g) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.113. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1012.114. FACILITIES OR SERVICES FOR PERSONS WHO ARE ELDERLY OR DISABLED. (a) The district may:

(1) purchase, construct, acquire, repair, renovate, equip, or administer the following types of facilities or services for the care of persons who are elderly or disabled:

(A) a nursing home or similar long-term care facility;
(B) elderly housing;
(C) assisted living;
(D) home health;
(E) personal care;
(F) special care; or
(G) continuing care; and

(2) purchase, acquire, repair, or equip durable medical equipment to provide services to persons who are elderly or disabled.

(b) For a facility or service described by Subsection (a), the board may:

(1) lease or enter into an operating or management agreement relating to all or part of a facility or service that is owned by the district;

(2) close, transfer, sell, or otherwise convey all or part of a facility; and

(3) discontinue all or part of a service.

(c) The board may issue general obligation bonds, revenue bonds, and other notes to acquire, construct, or improve a facility for the care of persons who are elderly or disabled or to implement the delivery of a service for the care of persons who are elderly or disabled.

(d) For the purposes of this section, a facility or service described by Subsection (a) is a hospital project under Chapter 223, Health and Safety Code, notwithstanding Section 223.002 of that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 177 (S.B. 628), Sec. 1, eff. May 28, 2011.
Sec. 1012.151. BUDGET. The chief executive officer shall prepare an annual budget for approval by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) The board shall publish notice of the hearing in accordance with Chapter 551, Government Code.

(c) The board must approve the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.153. AMENDMENT OF BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1012.156. ANNUAL AUDIT. (a) The board annually shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the chief executive officer shall prepare for the board:

1. a complete sworn statement of all district money; and
2. a complete account of the disbursement of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.158. DEPOSITORY. (a) The board shall select one or more banks to serve as a depository for district money.

(b) District money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to the appropriate bank to pay the principal of and interest on the district's outstanding bonds or other obligations on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank disqualifies the bank from being selected as a depository bank.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.159. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.
(a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.160. AUTHORITY TO BORROW MONEY IN EMERGENCY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board declares that:

(1) money is not available to meet authorized obligations of the district; and

(2) an emergency exists.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) The board may not spend money obtained from a loan under this section for any purpose other than:

(1) the purpose for which the board declared an emergency;
and

(2) if district taxes or bonds are pledged to pay the loan, the purpose for which the pledged taxes were imposed or the pledged bonds were authorized.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1012.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district, for hospital or hospital system purposes, to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip buildings or improvements; or
(3) acquire and operate a mobile emergency medical or air ambulance service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1012.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) Section 41.001(a), Election Code, does not apply to a bond
election ordered by the board.

(c) Except as otherwise provided by this chapter, the election shall be conducted in accordance with Chapter 1251, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall attest the bonds as provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.205. REVENUE BONDS. (a) The board may issue and sell revenue bonds in the name and on the faith and credit of the district to:

1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospitals and the hospital system; or

2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust on all or part of the district's property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.206. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.
Sec. 1012.207.  BONDS EXEMPT FROM TAXATION.  The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Sec. 1012.251.  IMPOSITION OF AD VALOREM TAXES.  (a) The board may impose a tax on property in the district subject to district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds.

Sec. 1012.252.  TAX RATE.  (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.
Sec. 1012.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1012.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by a number of residents of the district equal to at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:
(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1012.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Childress County Hospital District."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Childress County or another governmental entity in Childress County;

(2) sell the assets and liabilities to another person; or

(3) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsections (a)(1) and (2) do not apply and the board administers the property, assets, and debts under Subsection (a)(3), the district is dissolved when all money is disposed of and all
district debts have been paid or settled.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) The dissolution of the district and the sale or transfer of the district's assets or liabilities to another person may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(b) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of the residents of the district, including the residents' collective property rights in the district's assets.

(c) The district may not transfer or dispose of the district's assets except for due compensation unless:

   (1) the transfer is made to another governmental entity that serves the district; and

   (2) the transferred assets are to be used for the benefit of the district's residents.

(d) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

   (1) determine the debt owed by the district; and

   (2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.
(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Childress County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Childress County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1013. CASTRO COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1013.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Castro County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.002. AUTHORITY FOR OPERATION. The district operates under the authority of and has the powers and responsibilities provided by Section 11, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1013.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL SUBDIVISION. The district is:

(1) a public entity performing an essential public function; and

(2) a political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Castro County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1013.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.

(b) Directors serve staggered three-year terms.

(c) An election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.052. NOTICE OF ELECTION. Notice of an election of
directors shall be published in a newspaper of general circulation in Castro County in accordance with Section 4.003, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
   Acts 2011, 82nd Leg., R.S., Ch. 1135 (H.B. 1413), Sec. 1, eff. June 17, 2011.

Sec. 1013.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:
   (1) a district resident; and
   (2) at least 21 years of age.
   (b) An employee or medical staff member of the district may not serve as a director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall qualify for office by executing a good and sufficient bond for $1,000 that is:
   (1) payable to the district; and
   (2) conditioned on the faithful performance of the director's duties.
   (b) The district may pay for the directors' bonds with district money.
   (c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.001, eff. September 1, 2009.

Sec. 1013.055. BOARD VACANCY. (a) If a vacancy occurs in the
office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.056. OFFICERS. The board shall elect from among its members a president, vice president, and secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.057. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the entire board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.058. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and receives the compensation determined by the board.
Sec. 1013.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the general affairs of the district.

Sec. 1013.061. EMPLOYEES. (a) The board may employ a general manager, attorney, bookkeeper, and architect.

(b) The board may employ technicians, nurses, fiscal agents, accountants, and other necessary employees.

(c) The board may delegate to the district administrator the authority to hire employees under Subsection (b).

Sec. 1013.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees, including:

(1) advertising and marketing;
(2) paying travel, recruitment, and relocation expenses;
(3) providing a loan or scholarship to a physician or a person who:

(A) is currently enrolled in health care education courses at an institution of higher education; and
(B) contractually agrees to become a district employee or medical staff member; and
(4) providing on a rent-free basis or subsidizing the cost of office space or other facilities for a health care professional, including a physician.
Sec. 1013.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. (a) The board may appoint to or remove from the medical staff any doctors as necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The board may adopt policies relating to the appointment and removal of medical staff members.

Sec. 1013.064. HEALTH CARE EDUCATIONAL PROGRAMS. The board may spend district money, enter into an agreement, or take other necessary action to conduct, participate in, or assist in providing health care educational programs for current or prospective medical staff members or employees of the district.

Sec. 1013.065. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Sec. 1013.066. LIABILITY INSURANCE; INDEMNIFICATION. (a) The board may defend or indemnify an officer, director, board appointee, medical staff member, or district employee against or from a claim, expense, or liability arising from duties performed in that capacity.
(b) The board may purchase liability insurance coverage or establish a self-insurance program to fund an indemnity obligation under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.067. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1013.054, all district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:
(1) maintained at the district office; and
(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.068. SEAL. The board may adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1013.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Castro County or a municipality in Castro County may not impose a tax for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1013.103. MANAGEMENT AND CONTROL. The management and control of the district is vested in the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.104. HOSPITAL SYSTEM. (a) The district may provide for the establishment of a hospital or hospital system to provide medical and hospital care to the district's needy residents.

(b) The hospital system may include:

(1) facilities and equipment for domiciliary care and treatment of sick, injured, or geriatric patients;
(2) outpatient clinics;
(3) convalescent home facilities;
(4) physicians' offices; and
(5) any other facilities or equipment the board considers necessary for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.105. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and
Sec. 1013.107. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service as part of the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:
(1) the type, number, and location of facilities required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.
(b) The board may:
(1) acquire, construct, repair, or renovate property, including facilities or equipment, for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.
(c) The board may lease hospital facilities for the district.
(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.
(e) The district may operate any facility covered by this section or contract with any person to operate the facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function
conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

   (1) pay in advance or provide a bond or other security for costs in the trial court;

   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

   (3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.111. CONTRACTS FOR CARE AND TREATMENT. (a) The board may contract with a hospital, hospital authority, or political subdivision of this state located outside the district's boundaries to reimburse the district for the care and treatment of a sick or injured person of that entity.

   (b) The board may contract with this state or a federal agency for the state or agency to reimburse the district for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1013.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency to provide investigatory or other services related to facilities for the medical care, hospital, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.113. PROVISION OF SERVICES OUTSIDE DISTRICT. Subject to board approval the district may provide primary care, emergency services, preventative medical services, and other health-related services outside the district, provided that the services serve the purpose of the district as established by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.114. JOINT ADMINISTRATION OR DELIVERY OF HEALTH CARE SERVICES. (a) To provide joint administration or delivery of health care services, the district may contract with, affiliate with, or enter into another arrangement with:

(1) a managed care system;
(2) a preferred provider organization;
(3) a health maintenance organization;
(4) another provider of an alternative health care or delivery system; or
(5) a private hospital.

(b) The district may spend district money to establish and maintain a partnership, corporation, or other entity involved in the delivery of health care services.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in Castro County is admitted to a district facility, the board shall have an inquiry made into the circumstances...
of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay all or part of the costs of the patient's care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If it is determined that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and

(2) issue an appropriate order.

(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.116. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person for whom that county, municipality, or public hospital has an obligation to provide care, as provided by Chapter 61, Health and Safety Code.

(b) The board shall seek reimbursement under Article 104.002, Code of Criminal Procedure, for the district's care and treatment of
a person who is confined in a Castro County jail facility and is not a district resident.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.117. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use money, other than money the corporation pays to the district, only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.118. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1013.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:
(1) proposed expenditures and disbursements;
(2) estimated receipts and collections; and
(3) the amount of taxes required to be imposed for the year.
Sec. 1013.152.  PROPOSED BUDGET: NOTICE AND HEARING.  (a)  The 
board shall hold a public hearing on the proposed budget.  
(b) Notice of the hearing must be published at least once in a 
newspaper of general circulation in Castro County not later than the 
10th day before the date of the hearing.  
(c) Any district taxpayer is entitled to:  
(1) appear at the time and place designated in the notice;  
and  
(2) be heard regarding any item included in the proposed 
budget.

Sec. 1013.153.  FISCAL YEAR.  The district operates on a fiscal 
year established by the board.

Sec. 1013.154.  ANNUAL AUDIT.  (a)  The board annually shall 
have an independent audit made of the district's books and records 
for the fiscal year.  
(b) Not later than December 31 each year, the audit shall be 
filed:  
(1) with the comptroller; and  
(2) at the district office.

Sec. 1013.155.  DEPOSITORY OR TREASURER.  (a)  The board by 
resolution shall designate a bank or banks in Castro County as the 
district's depository or treasurer. A designated bank serves for
three years and until a successor is designated.

(b) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money for district purposes on district credit or secured by district revenue. The rate may not exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the district's bonded indebtedness;
   (2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or
   (3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1013.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:
   (1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
   (2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1013.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1013.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order the election on its own motion.

(c) The order calling the election must specify:

   (1) the location of the polling places;
   (2) the presiding election officers;
   (3) the purpose of the bond issuance;
   (4) the amount of the bonds to be authorized;
   (5) the maximum interest rate of the bonds; and
   (6) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Castro County once a week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1013.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.206. REVENUE BONDS. (a) The board may issue revenue bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire real property for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the bonds to be refunded; or

(2) exchanged wholly or partly for not less than a similar amount of outstanding bonds and the unpaid matured interest on the bonds.
Sec. 1013.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Sec. 1013.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1013.202 and revenue and other sources authorized by Section 1013.206.

Sec. 1013.210. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;
(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
(5) costs related to the bond issuance;
(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and
(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1135 (H.B. 1413), Sec. 2, eff. June 17, 2011.

**SUBCHAPTER F. TAXES**

Sec. 1013.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.253. TAX ASSESSOR-COLLECTOR. (a) The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

(b) The tax assessor-collector shall assess and collect taxes
imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER G. DISSOLUTION**

Sec. 1013.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by a number of district residents equal to at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1013.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Castro County Hospital District."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Castro County or another governmental agency in Castro County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or agency assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) The district may not be dissolved unless the board provides for the
sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of the district's assets or liabilities may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(d) The district may not transfer or dispose of the district's assets except for due compensation unless:

(1) the transfer is made to another governmental agency that serves the district; and
(2) the transferred assets are to be used for the benefit of the district's residents.

(e) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1013.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.

(a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and
(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.
Sec. 1013.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Castro County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Castro County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1014. COLLINGSWORTH COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1014.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Collingsworth County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.002. AUTHORITY FOR CREATION. The district is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.003. ESSENTIAL PUBLIC FUNCTION. The district
performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Collingsworth County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1014.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

(c) The election order must state the time, place, and purpose of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1014.052. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 15 registered voters; and
(2) filed at least 25 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.053. QUALIFICATIONS FOR OFFICE. To be eligible to hold office as a director, a person must be a resident property-owning taxpaying voter of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.054. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.055. OFFICERS. (a) The board shall elect from among its members a president, vice president, secretary, and other officers as in the judgment of the board are necessary.

(b) The president is the chief executive officer of the district and has the same right to vote as any other director.

(c) If the president is absent or fails or declines to act, the vice president shall perform the president's duties and exercise the president's powers under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1014.056. COMPENSATION; EXPENSES. A director serves without compensation but may receive actual expenses incurred in attending to district business on approval of the expenses by the remainder of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.057. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The board shall:

(1) keep an account of all board meetings and proceedings;

and

(2) maintain at the district's principal office all district records and accounts, including all contracts, notices, duplicate vouchers, and duplicate receipts.

(b) The information described by Subsection (a) shall be open to public inspection at the district's principal office at all reasonable times.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.059. INDIVIDUAL LIABILITY OF DIRECTORS. A director is individually liable only for the director's individual misapplication of public money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1014.060. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board shall appoint a qualified person as district administrator.
(b) The board may appoint an assistant administrator.
(c) The district administrator and any assistant administrator are entitled to the compensation determined by the board.
(d) The board may execute an employment contract with the district administrator or assistant administrator for a term of not more than three years. The employment contract may be renewed or extended annually.
(e) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $25,000 that:
(1) is conditioned on the administrator performing the administrator's duties; and
(2) contains other conditions the board may require.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. The district administrator shall:
(1) stay informed on the latest methods of hospital administration and the care of hospital patients; and
(2) subject to the limitations prescribed by the board:
(A) supervise the work and activities of the district; and
(B) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.062. EMPLOYEES. The board may employ nurses, technicians, and other employees for the efficient operation of the district or may provide that the district administrator has that authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1014.063. LEGAL COUNSEL; OTHER PROFESSIONAL SERVICES. The board may employ legal counsel or contract for other professional services as the board considers advisable.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.064. RETIREMENT PROGRAM. The board may contract with this state or the federal government to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1014.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care of the indigent persons in the district; and

(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION AND DEBT. Collingsworth County or a municipality in Collingsworth County may not impose a tax or issue bonds or other obligations for hospital purposes or for medical treatment of indigent persons in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The
board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system by:
(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the buildings and equipment for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.
(b) A purchase that involves the expenditure of more than the amount provided by Section 252.021(a), Local Government Code, may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by: Acts 2011, 82nd Leg., R.S., Ch. 778 (H.B. 1967), Sec. 1, eff. September 1, 2011.
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 468, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1014.107. BUILDINGS. The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.
(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the agency is responsible.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.111. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1014.112. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1014.151. BUDGET. The district administrator shall prepare an annual budget for approval by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.

(c) The board must approve the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.155. FISCAL YEAR. The district operates on a fiscal
year that begins on October 1 and ends on September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.156. ANNUAL AUDIT. (a) The district annually shall have an audit made of the district's financial condition.
   (b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:
   (1) a complete sworn statement of all district money; and
   (2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.158. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.
   (b) District money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to an appropriate bank to pay the principal of and interest on the district's outstanding bonds or other obligations on or before the maturity date of the principal and interest.
   (c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.
   (d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being selected as a depository bank.
Sec. 1014.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose related to the purchase, construction, acquisition, repair, or renovation of improvements, and equipping the improvements for a hospital and the hospital system, as determined by the board.

Sec. 1014.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1014.201, the board shall impose an ad valorem tax on all property in the district subject to district taxation at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Sec. 1014.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board shall call the election. The election must be held in accordance with Chapter 1251, Government Code.

(c) The bond election order must specify:
(1) the date of the election;
(2) the location of the polling places;
(3) the presiding election officers;
(4) the amount of the bonds to be authorized;

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(5) the maximum maturity of the bonds; and
(6) the maximum interest rate of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall attest the bonds as provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.205. REVENUE OR SPECIAL OBLIGATION BONDS. (a) The board may issue and sell revenue or special obligation bonds for the purposes provided by Section 1014.201.

(b) Special obligation bonds must be payable from the revenue of the district's entire hospital system, including that portion originally acquired and all past or future extensions, additions, or replacements, excluding taxes, after deducting the cost of maintaining and operating the system. For purposes of this subsection, the cost of maintaining and operating the system:

(1) may include only the items set forth and defined in the resolution authorizing the bond issuance; and

(2) may not include the cost of providing medical or hospital care for the district's needy inhabitants.

(c) A cost described by Subsection (b)(2) is a maintenance and operating expense for budget and tax purposes.

(d) The district may issue revenue bonds without an election.

(e) Revenue bonds may be additionally secured by:

(1) a mortgage or deed of trust on real property;

(2) a chattel mortgage on the district's personal property; or

(3) both.

(f) The board may issue bonds that are a junior lien on the district's net revenue or property and additional parity bonds under conditions specified in the bond resolution or trust indenture.
(g) Money for the payment of not more than two years' interest on the bonds and an amount the board estimates will be required for maintenance and operating expenses during the first year of operation may be set aside out of the proceeds from the sale of the bonds.

(h) A revenue bond issued by the district must contain the following provision: "The holder of the bond may not demand payment of this bond or appurtenant coupons out of money raised or to be raised by taxation."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.206. CHARGES FOR SERVICES RENDERED. If the board issues revenue bonds, the board shall charge and collect rates for services rendered by the hospital system that are sufficient to:

(1) pay the maintenance and operating expenses described by Section 1014.205;

(2) pay the principal and interest on the bonds as each becomes due; and

(3) create and maintain a bond reserve fund and other funds as provided in the bond resolution or trust indenture.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund any bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding bonds; or

(2) exchanged wholly or partly for not less than a similar principal amount of the outstanding bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.208. BONDS EXEMPT FROM TAXATION. The following are
exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1014.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on property in the district subject to district taxation.

(b) The board shall impose the tax to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1014.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Collingsworth County shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1015. FAIRFIELD HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1015.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Fairfield Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Fairfield Independent School District as those boundaries existed on August 3, 1987.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1015.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1015.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected from the district at large.

(b) Directors serve staggered four-year terms.

(c) An election shall be held on the uniform election day in May of each even-numbered year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in accordance with Chapter 4, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 613 (H.B. 3442), Sec. 1, eff. June 12, 2017.

Sec. 1015.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

(1) a district resident; and

(2) a qualified voter.

(b) A district employee may not serve as a director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1015.054. BOND; RECORD OF BOND. (a) Before assuming the duties of office, each director must execute a bond for $5,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) The board may pay for a director's bond with district money.

(c) Each director's bond shall be kept in the district's permanent records.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.056. OFFICERS. (a) The board shall elect a president and vice president from among its members.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.
Sec. 1015.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Sec. 1015.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in the amount set by the board of not less than $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Sec. 1015.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Sec. 1015.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:

(1) the assistant district administrator; and
the attorney for the district.

(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.062. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

(d) The board may spend money to recruit physicians, nurses, and other trained medical personnel. The board may pay the tuition or other costs or expenses of a full-time medical student or nursing student who:

(1) is enrolled in and is in good standing at an accredited school, college, or university; and

(2) contractually agrees to become a district employee in return for that assistance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.063. CONTINUING EDUCATION; RETRAINING. The board may spend money for continuing education and retraining of employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1015.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:
(1) operating hospital facilities; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.102. RESTRICTION ON MUNICIPAL TAXATION AND DEBT. The City of Fairfield may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.
Sec. 1015.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Sec. 1015.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.
(b) The board may:
(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.
(c) The board may lease hospital facilities for the district.
(d) The board may sell or otherwise dispose of the property, including facilities, or equipment, for the district.

Sec. 1015.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise a right or authority conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.108. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.110. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.
   (b) The board may enter into a construction contract that
involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) Each year, the board may set criteria for determining residency, eligibility for a service, and the type of services available.

(b) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) a relative of the patient who is legally responsible for the patient's support.

(c) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.
(d) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(e) The district administrator may collect the money owed to the district from the patient's estate or from that of a relative who was legally responsible for the patient's support in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(f) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall:

1. call witnesses;
2. hear and resolve the question; and
3. issue a final order.

(g) The final order of the board may be appealed to a district court in the county in which the district is located. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.114. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Freestone County or the police chief of the City of Fairfield to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Freestone County or the City of Fairfield and is not a district resident. A prisoner in the Freestone County jail or any penal or police facility located in the district does not qualify as a district resident unless the person would meet the qualifications for residency notwithstanding the incarceration, its
duration, or the facts surrounding the incarceration.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.115. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1015.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand in each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the
10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.153. AMENDMENTS TO BUDGET. After adoption, the annual budget may be amended on the board's approval.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:
   (1) during a period that revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.
Sec. 1015.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and
(2) an account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1015.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank has first executed a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1015.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Sections 1015.110, 1015.161, 1015.201, 1015.204, and 1015.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board declares that money is not available to meet authorized district obligations, which creates an emergency.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) Money obtained from a loan under this section may be spent only for:

(1) a purpose for which the board declared an emergency; and

(2) if district taxes or bonds are pledged to pay the loan, the purpose for which the pledged taxes were imposed or the pledged bonds were authorized.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1015.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1015.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of district voters voting at an election held for that purpose.

(b) The board may order a bond election.

(c) The order calling the election must specify:

(1) the nature and date of the election;
(2) the hours during which the polls will be open;
(3) the location of the polling places;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by
Section 1251.003, Government Code.
(e) The board shall declare the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.204. REVENUE BONDS. (a) The board may issue revenue bonds to:
(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.
(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund an outstanding indebtedness issued or assumed by the district.
(b) A refunding bond may be:
(1) sold, with the proceeds of the refunding bonds applied to the payment of the indebtedness to be refunded; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.
Sec. 1015.207. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.
(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Sec. 1015.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Sec. 1015.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.
(b) The tax may be used to meet the requirements of:
(1) district bonds;
(2) indebtedness assumed by the district; and
(3) the maintenance and operating expenses of the district.
(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Sec. 1015.252. TAX RATE. (a) The board may impose the tax at a rate for the initial tax year not to exceed eight cents on each
$100 valuation of taxable property.

(b) The tax rate for all purposes may not exceed 12 cents on each $100 valuation of all taxable property in the district, unless the tax rate is increased as provided by Section 1015.254.

(b-1) If an increase in the tax rate is approved at an election under Section 1015.254, the tax rate for all purposes may not exceed the maximum tax rate approved by the voters at the election.

(c) In setting the tax rate, the board shall consider income of the district from sources other than taxation.

(d) The board may decrease the tax rate or may elect not to impose a tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 613 (H.B. 3442), Sec. 2, eff. June 12, 2017.

Sec. 1015.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.254. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the maximum tax rate of the district to a rate not to exceed 25 cents on each $100 valuation of the taxable property in the district.

(b) Subject to Subsection (d), the board shall order an election to increase the maximum tax rate of the district on presentation of a petition that:

(1) requests the election;

(2) states the maximum tax rate to be voted on at the election; and

(3) is signed by at least 100 registered voters of the district, as determined by the most recent official list of registered voters.
(c) The board by order shall set a time and place to hold a hearing on the petition. The board shall set a date for the hearing that is not earlier than the 11th day after the date the board issues the order.

(d) If, after the hearing, the board determines that the petition is in proper form and that an increase of the maximum tax rate would benefit the district, the board shall order an election to authorize the increase of the maximum tax rate to the tax rate stated in the petition.

(e) The election order must state:
   (1) the nature of the election, including the proposition that is to appear on the ballot;
   (2) the maximum tax rate to be voted on at the election;
   (3) the date of the election;
   (4) the hours during which the polls will be open; and
   (5) the location of the polling places.

Added by Acts 2017, 85th Leg., R.S., Ch. 613 (H.B. 3442), Sec. 3, eff. June 12, 2017.

**SUBCHAPTER G. DISSOLUTION**

Sec. 1015.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order that a dissolution election be held.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 10 percent of the registered voters in the district. The board shall order the election not later than the 60th day after the date the petition is presented to the district.

(d) The order calling the election must state:
   (1) the nature of the election, including the proposition to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1015.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear at least 35 days before the date set for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Fairfield Hospital District."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.304. ELECTION RESULTS. (a) If the board finds that the election results favor the proposition to dissolve the district, the board shall:

(1) issue an order declaring the district be dissolved; and

(2) specify in the order the date the dissolution takes effect.

(b) If the board finds that the election results do not favor the proposition to dissolve the district, another dissolution election may not be held before the first anniversary of the date of the election at which the voters disapproved the proposition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.305. DIRECTORS IN OFFICE AFTER DISSOLUTION. The directors in office on the date of the dissolution shall continue in office, without further election, until:

(1) the affairs of the district are effectively concluded;
and
(2) all duties or acts required of the board are completed.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.306. IMPOSITION OF TAX; TRANSFER OF DEBTS. After
issuing the dissolution order, the board shall determine the debt
owed by the district and shall:
(1) impose on property subject to taxation in the district
a tax in proportion of the debt to the property value and use the tax
revenue to pay the district's bonds or satisfy other district debts; or
(2) transfer the district's debts to any governmental
entity assuming responsibility after dissolution of the district for
providing hospital care in the territory included in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.307. DISPOSITION OR TRANSFER OF ASSETS AND DEBTS.
(a) The board may not dispose of or transfer the district's assets
except for due compensation unless:
(1) the debts are transferred to another governmental
entity embracing the district; and
(2) the transferred assets are used for the benefit of
citizens formerly in the district.
(b) If the board transfers the district's debts to another
governmental entity, the board shall also transfer to that
governmental entity:
(1) title to land, buildings, improvements, and equipment
related to the hospital system owned by the district; and
(2) operating money and reserves for operating expenses and
money budgeted by the district to provide medical care for district
residents for the remainder of the fiscal year in which the district
is dissolved.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1015.308. SPENDING RESTRICTIONS. After the effective date of the district's dissolution, the board may not spend any money except:

(1) as authorized by law; and
(2) as necessary to pay reasonable dissolution expenses and the district's legal debts incurred before that date.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1015.309. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Freestone County summarizing the board's actions in dissolving the district. The report must include a summary of the district's debts.

(b) Not later than the 10th day after the date the Commissioners Court of Freestone County receives the report, the commissioners court shall:
(1) determine whether the board has fulfilled the requirements of this subchapter; and
(2) if the commissioners court determines the board has fulfilled its duties, enter an order to that effect.

(c) On entry of an order under Subsection (b)(2), the directors are discharged from liability under their bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1016. CONCHO COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 1016.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Concho County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1016.002. AUTHORITY FOR OPERATION. The district operates in accordance with and has the rights, powers, and duties provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Concho County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1016.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1016.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected as follows:

(1) four directors, each of whom is a resident of a different county commissioners precinct; and

(2) three directors from the district at large.

(b) A district voter may vote on each of the seven directors.

(c) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.052. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Concho County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 10 registered taxpaying voters; and

(2) filed by the deadline imposed by Section 144.005, Election Code.
Sec. 1016.054. QUALIFICATIONS FOR OFFICE. A person may not be elected or appointed as a director unless the person is:

(1) a district resident;
(2) a qualified voter;
(3) a freeholder; and
(4) at least 18 years of age when elected or appointed.

Sec. 1016.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond and the constitutional oath or affirmation of office shall be deposited with the district's depository bank for safekeeping.

Sec. 1016.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.
Sec. 1016.057. OFFICERS. The board shall elect a president and a secretary from among its members.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.059. MEETINGS. (a) A board meeting may be called by the president or any four directors.

(b) Notice of the time and place of a board meeting must be given to each director at least 72 hours before the time of the meeting.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.060. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.
Sec. 1016.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Sec. 1016.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Sec. 1016.063. SENIORITY; RETIREMENT BENEFITS. The board may:

(1) adopt rules related to the seniority of district employees, including rules for a retirement plan based on seniority; and

(2) give effect to previous years of service for district employees continuously employed in the operation or management of hospital facilities:

(A) constructed by the district; or
(B) acquired by the district, including facilities acquired when the district was created.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 1016.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing hospital care for the district's indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;

(2) equipping the buildings; and

(3) administering the buildings and equipment for hospital purposes.

(b) The hospital system may include:

(1) facilities for domiciliary care of the sick, injured, or geriatric;

(2) facilities for outpatient clinics;

(3) dispensaries;

(4) convalescent home facilities;
(5) necessary nurses' domiciliaries and training centers;
(6) blood banks;
(7) research centers or laboratories; and
(8) any other facilities the board considers necessary for hospital care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.
(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants. The board may not sell or dispose of any real property unless the board affirmatively finds that the property is not needed for the operation of the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1016.110. CONSTRUCTION OR PURCHASE CONTRACTS. A construction or purchase contract that involves the expenditure of more than $2,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITALIZATION. (a) The board may contract with a county or municipality located outside the district’s boundaries for the hospitalization of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the hospitalization of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory and other services as to the hospital or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1016.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and

(2) issue any appropriate orders.

(f) The final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.115. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.

(b) The district is entitled to all causes of action and defenses to which similar authorities performing only governmental functions are entitled.
Sec. 1016.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

1. the outstanding obligations of the district;
2. the cash on hand in each district fund;
3. the money received by the district from all sources during the previous year;
4. the money available to the district from all sources during the ensuing year;
5. the balances expected at the end of the year in which the budget is being prepared;
6. the estimated revenue and balances available to cover the proposed budget;
7. the estimated tax rate required; and
8. the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.

Sec. 1016.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

(c) Any property taxpayer of the district is entitled to be present and participate at the hearing in accordance with the rules of decorum and procedures prescribed by the board.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interest of the taxpayers and that
the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.156. AUDIT. (a) The board shall have an independent audit made of the district's financial condition for the fiscal year.

(b) As soon as the audit is completed, the audit shall be filed at the district's office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the
district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.159. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1016.160(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1016.107(c), this subchapter, and Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.
SUBCHAPTER E. BONDS

Sec. 1016.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Sec. 1016.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1016.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

Sec. 1016.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

(1) the date of the election;

(2) the location of the polling places;

(3) the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized;
(5) the maximum maturity of the bonds; and
(6) the maximum interest rate of the bonds.
(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.204. REVENUE BONDS. (a) The board may issue revenue bonds to:
(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.
(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.
(b) Refunding bonds may be:
(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1016.206. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer and issuance of the bonds; and

(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1016.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds or other obligations issued or assumed by the district for hospital purposes;

(2) pay indebtedness incurred or assumed by the district;

(3) provide for the operation and maintenance of the district and the hospital or hospital system;

(4) make improvements and additions to the hospital system; and

(5) acquire necessary sites for the hospital system by
purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1016.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**CHAPTER 1017. CULBERSON COUNTY HOSPITAL DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 1017.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Culberson County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1017.004.  DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Culberson County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.005.  DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.006.  RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1017.051.  BOARD ELECTION; TERM.  (a) The district is governed by a board of five directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.052.  NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district.
Sec. 1017.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least one registered voter of the district as determined by the most recent official list of registered voters; and

(2) filed not later than the 31st day before the date of the election.

Sec. 1017.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

(1) a district resident; and

(2) a qualified voter.

(b) A district employee may not serve as a director.

Sec. 1017.055. BOND; RECORD OF BOND. (a) Before assuming the duties of office, each director must execute a bond for $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the director's duties.

(b) The board may pay for a director's bond with district money.

(c) The bond shall be kept in the permanent records of the district.
Sec. 1017.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.057. OFFICERS. (a) The board shall elect a president and a vice president from among its members.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.058. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.059. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1017.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in the amount set by the board of not less than $5,000 that is:
   (1) payable to the district; and
   (2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
   (1) supervise the work and activities of the district; and
   (2) direct the general affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:
   (1) the assistant district administrator; and
   (2) the attorney for the district.

(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.063. APPOINTMENTS AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district
and may make temporary appointments as necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

(d) The board may spend money to recruit physicians, nurses, or other trained medical personnel. The board may pay the tuition or other costs or expenses of a full-time medical student or nursing student who:

(1) is enrolled in and is in good standing at an accredited school, college, or university; and

(2) contractually agrees to become a district employee in return for that assistance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1017.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; and

(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1017.102. RESTRICTION ON CULBERSON COUNTY TAXATION AND DEBT. Culberson County may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system and the type of equipment necessary for hospital care. The hospital system may include facilities and equipment to provide for domiciliary care and treatment of geriatric patients.

(b) The board may:

(1) lease or acquire property, including facilities and equipment, for the use of the district; and

(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may sell, lease, or otherwise dispose of property, including facilities or equipment, for the district. Sale or other disposal under this subsection must be at a public sale and at a price and on the terms the board determines are most advantageous to the district.

(d) The board may donate to another governmental entity or to a charitable organization any surplus personal property or equipment if the donation serves a public purpose and is accompanied by adequate consideration.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the property interest is necessary to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit money in the trial court or execute a bond as provided by Section 21.021(a)(2) or (3), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or electric transmission, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.111. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.
Sec. 1017.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of the state or with a state or federal agency for the district to:
(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:
(1) the patient; and
(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that a patient or a relative of the patient legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or any part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be
based on the person's ability to pay.

(d) The district administrator may collect the amount owed to the district from the patient's estate or from that of a relative who was legally responsible for the patient's support in the manner provided by law for collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall:
   (1) call witnesses;
   (2) hear and resolve the question; and
   (3) issue a final order.

(f) The final order of the board may be appealed to a district court in Culberson County. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.115. REIMBURSEMENT FOR SERVICE. (a) The board shall require a county or municipality located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county or municipality.

(b) The board shall require the sheriff of Culberson County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Culberson County and is not a district resident.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.116. AUTHORITY TO SUED AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1017.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

1. the outstanding obligations of the district;
2. the amount of cash on hand in each district fund;
3. the amount of money received by the district from all sources during the previous year;
4. the amount of money available to the district from all sources during the ensuing year;
5. the amount of the balances expected at the end of the year in which the budget is being prepared;
6. the estimated amount of revenue and balances available to cover the proposed budget; and
7. the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board determines to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.153. AMENDMENTS TO BUDGET. After adoption, the
annual budget may be amended on the board's approval.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.
(b) The fiscal year may not be changed:
(1) during a period that revenue bonds of the district are outstanding; or
(2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1017.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and

(2) an account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1017.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(3) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by this section and Sections 1017.063(d), 1017.111, 1017.201, 1017.204, and 1017.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1017.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate of not more than 10 percent a year on district notes to pay the obligations if the board declares that money is not available to meet authorized district obligations, which creates an emergency.

(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the district's bonded indebtedness;
   (2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or
   (3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) Money obtained from a loan under this section may be spent only for:
   (1) a purpose for which the board declared an emergency; and
   (2) if district taxes or bonds are pledged to pay the loan, the purposes for which the taxes were imposed or the bonds were authorized.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1017.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:
   (1) purchase, construct, acquire, repair, or renovate buildings or improvements;
   (2) equip buildings or improvements for hospital purposes; or
   (3) acquire and operate a mobile emergency medical service.
Sec. 1017.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1017.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of a tax.

Sec. 1017.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The board may order a bond election.

(c) The order calling the election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of the polling places;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Sec. 1017.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

   (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;
   (2) acquire sites to be used for hospital purposes; or
(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.207. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1017.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. AD VALOREM TAX

Sec. 1017.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.
(b) The tax may be used to pay:
(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.
(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.
(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.
(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1017.253. TAX ASSESSOR-COLLECTOR. The board may provide
for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1018. DALLAM-HARTLEY COUNTIES HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1018.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Dallam-Hartley Counties Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.002. AUTHORITY FOR OPERATION. The district operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Dallam and Hartley Counties, Texas, except that the district does not include land located in another hospital district on the date the Dallam-Hartley
Counties Hospital District was created.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support or maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 1018.051. BOARD APPOINTMENT; TERM. (a) The board consists of seven directors appointed as follows:

(1) three directors appointed by the Commissioners Court of Dallam County;

(2) three directors appointed by the Commissioners Court of Hartley County; and

(3) one director jointly appointed by the six directors appointed under Subdivisions (1) and (2).

(b) The directors shall make an appointment under Subsection (a)(3) not later than the 20th day after the date the last director is appointed under Subsection (a)(1) or (2).

(c) A successor director is appointed in the same manner as the initial director.

(d) Directors serve staggered two-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1018.052. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed as a director unless the person is:
   (1) a district resident; and
   (2) a qualified voter.
(b) A person is not eligible to serve as a director if the person is:
   (1) the district administrator;
   (2) the attorney for the district; or
   (3) a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall execute a good and sufficient bond for $5,000 that is:
   (1) approved by the commissioners courts of Dallam and Hartley Counties;
   (2) payable to the district; and
   (3) conditioned on the faithful performance of the director's duties.
   (b) The district may provide for a director's bond with district money.
   (c) Each director's bond and constitutional oath or affirmation of office shall be kept in the district's permanent records.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.054. BOARD VACANCY. A vacancy in the office of director shall be filled for the unexpired term by appointment in the same manner as the office was previously filled under Section 1018.051.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.055. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and

(2) a secretary, who need not be a director.

(b) Each officer of the board serves for a term of one year.

(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.057. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.058. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and
(2) contains other conditions the board may require.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1018.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.060. ATTORNEY; ASSISTANT DISTRICT ADMINISTRATOR. (a) The board may appoint qualified persons as:

(1) the attorney for the district; and
(2) the assistant district administrator.

(b) The attorney for the district and the assistant district administrator serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) Except as provided by Section 1018.0615, the board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

(d) The board may employ physicians, but only as provided by Section 1018.0615. The board may employ other health care providers as the board considers necessary for the efficient operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1018.0615. EMPLOYMENT OF PHYSICIANS. (a) The board may employ a physician and retain all or part of the professional income generated by the physician for medical services provided at a hospital or other health care facility owned or operated by the district if the board satisfies the requirements of this section.

(b) The board shall:

(1) appoint a chief medical officer for the district; and

(2) adopt, maintain, and enforce policies to ensure that a physician employed by the district exercises the physician's independent medical judgment in providing care to patients.

(c) The policies adopted under this section must include:

(1) policies relating to:

(A) credentialing;

(B) quality assurance;

(C) utilization review;

(D) peer review; and

(E) medical decision-making; and

(2) the implementation of a complaint mechanism to process and resolve complaints regarding interference or attempted interference with a physician's independent medical judgment.

(d) The policies adopted under this section:

(1) must be approved by the chief medical officer of the district; and

(2) shall prevail over a conflicting policy of the district.

(e) For all matters relating to the practice of medicine, each physician employed by the board shall ultimately report to the chief medical officer of the district.

(f) The chief medical officer will report immediately to the Texas Medical Board any action or event that the chief medical officer reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

(g) The board may not delegate to the district administrator the authority to hire a physician.
(h) This section may not be construed as authorizing the board to supervise or control the practice of medicine as prohibited under Subtitle B, Title 3, Occupations Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 378 (S.B. 310), Sec. 2, eff. June 17, 2011.

Sec. 1018.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons for appointment to the district's medical staff or for employment with the district, including:

(1) advertising and marketing;
(2) paying travel, recruiting, and relocation expenses;
(3) providing a loan or scholarship to a physician or other person who:
   (A) is currently enrolled in health care education courses at an institution of higher education; and
   (B) contractually agrees to become a district employee; and
   (4) providing on a rent-free basis or subsidizing the cost of office space or other facilities for a health care professional, including a physician.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.063. HEALTH CARE EDUCATIONAL PROGRAMS. The board may spend district money, enter into agreements, or take other necessary action to conduct, participate in, or assist in providing health care educational programs for current or prospective staff members or employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.064. LIABILITY INSURANCE; INDEMNIFICATION. (a) For an officer, director, board appointee, member of the medical staff,
or district employee, the board may:

(1) purchase and maintain liability insurance to protect the person from any liability that arises from performing a duty for the district or at a district facility; and

(2) enter into and perform an agreement to defend or indemnify the person with regard to a claim, cost, expense, or liability resulting from duties performed for the district or at a district facility.

(b) The board may establish a self-insurance program to fund an indemnity obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1018.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities; and

(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1018.104. HOSPITAL SYSTEM. (a) The district may:
(1) provide for the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
   (B) equipping the buildings; and
   (C) administering the system for hospital purposes; or
(2) provide hospital services by lease or contract.
(b) The hospital system may include any facilities the board considers necessary for hospital care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.
(b) The board may lease all or part of the district's facilities on terms considered to be in the best interest of the district's inhabitants.
(c) The board may:
   (1) acquire by lease, purchase, lease to purchase, or option to purchase property, including facilities, supplies, or equipment, for the district; and
   (2) mortgage or pledge the property or the revenue from the property as security for the payment of the purchase price.
(d) The district may sell, lease, or otherwise dispose of any of the district's property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.108. ASSISTED LIVING FACILITY. The board may construct and maintain an assisted living facility and a related facility that is necessary to operate and maintain an assisted living facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.
Sec. 1018.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, electric transmission, telegraph or telephone line, conduit, pole, or facility, or pipeline, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Sec. 1018.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are consistent with the proper management and objectives of the district.

Sec. 1018.112. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of the amount specified by Section 271.024, Local Government Code, may be made only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code.

Sec. 1018.113. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.
Sec. 1018.114. CONTRACTS FOR MEDICAL AND HOSPITAL CARE. The district may contract with public or private institutions and physicians to provide medical and hospital care for the district's indigent and needy residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.115. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries to reimburse the district for the care and treatment of a sick or injured person of that county or municipality.

(b) The district may contract with this state or a federal agency for reimbursement for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.116. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services as to facilities for the medical care, hospital, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.117. JOINT ADMINISTRATION OR DELIVERY OF HEALTH CARE SERVICES. (a) To provide joint administration or delivery of health care services, the district may contract with, affiliate with, have an ownership interest in, or enter into another arrangement with:

(1) a managed care system;
(2) a preferred provider organization;
(3) a health maintenance organization;
(4) a medical services organization;
(5) another provider of alternative health care or delivery system; or
(6) a private hospital.

(b) The district may spend district money to establish, maintain, and have an ownership interest in a partnership, corporation, or other entity involved in the delivery of health care services.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.118. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:
(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
(1) resolve the dispute or doubt; and
(2) issue a final order.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.119. NONPROFIT CORPORATION. (a) The district may create, sponsor, and have a membership interest in a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation created may use money, other than money the corporation pays to the district, only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.120. AUTHORITY TO SUIT AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1018.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
(b) Notice of the hearing must be published one time in a newspaper with general circulation in the district at least 10 days before the date of the hearing.
(c) Any district resident is entitled to be present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.
Sec. 1018.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.
(b) The fiscal year may not be changed more than once in a 24-month period.

Sec. 1018.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Sec. 1018.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Sec. 1018.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:
(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.
Sec. 1018.159. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1018.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Sections 1018.107(c) and 1018.161 and Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

(a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the
district's bonded indebtedness;

(2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 378 (S.B. 310), Sec. 3, eff. June 17, 2011.

**SUBCHAPTER E. BONDS**

Sec. 1018.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligations bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1018.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1018.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The board, in ordering the election, shall provide for clerks as in county elections and specify:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the presiding and alternate election judges for each polling place;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(d) Chapter 41, Election Code, does not apply to an election held under this section.

(e) The board shall declare the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1018.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer and issuance of the bonds; and

(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1018.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1018.202 and revenue and other sources authorized by Section 1018.206.

Added by Acts 2011, 82nd Leg., R.S., Ch. 378 (S.B. 310), Sec. 4, eff. June 17, 2011.

Sec. 1018.210. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 378 (S.B. 310), Sec. 4, eff. June 17, 2011.

SUBCHAPTER F. TAXES
Sec. 1018.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The board may impose the tax to pay:
   (1) indebtedness issued or assumed by the district; and
   (2) the construction, maintenance, equipment, and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1018.254.

(b) The tax assessors-collectors of Dallam and Hartley Counties shall assess and collect taxes imposed by the district in their respective counties.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1018.254. ASSESSMENT AND COLLECTION BY DISTRICT ASSESSOR-COLLECTOR. (a) The board, by majority vote, may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.
(b) The district tax assessor-collector must reside in the district.

(c) The board shall set for the district tax assessor-collector:

(1) the term of employment; and
(2) compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1018.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 378 (S.B. 310), Sec. 5, eff. June 17, 2011.

Sec. 1018.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.
Sec. 1018.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Dallam-Hartley Counties Hospital District."

Sec. 1018.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election on the question of dissolution.

Sec. 1018.305. TRANSFER OF ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Dallam County or Hartley County or another governmental entity in Dallam County or Hartley County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under
Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2011, 82nd Leg., R.S., Ch. 378 (S.B. 310), Sec. 5, eff. June 17, 2011.

Sec. 1018.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and
(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the appropriate county tax assessor-collector.

Added by Acts 2011, 82nd Leg., R.S., Ch. 378 (S.B. 310), Sec. 5, eff. June 17, 2011.

Sec. 1018.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Courts of Dallam and Hartley Counties summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Dallam County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order approving dissolution of the district and releasing the board from any further duty or obligation as to Dallam County.

(c) Not later than the 10th day after the date the Commissioners Court of Hartley County receives the report and determines that the requirements of this subchapter have been
fulfilled, the commissioners court shall enter an order approving dissolution of the district and releasing the board from any further duty or obligation as to Hartley County.

(d) Dissolution under this section is complete on entry of the later of the two orders described by Subsections (b) and (c).

Added by Acts 2011, 82nd Leg., R.S., Ch. 378 (S.B. 310), Sec. 5, eff. June 17, 2011.

CHAPTER 1019. DARROUZETT HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1019.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Darrouzett Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.004. DISTRICT TERRITORY. The district is composed of:
(1) the territory described by Section 1, Chapter 539, Acts of the 63rd Legislature, Regular Session, 1973; and
(2) all territory in the Darrouzett Independent School District as that territory existed on June 14, 1973, except the
territory in the Booker Hospital District on that date.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1019.051. BOARD ELECTION; TERM. (a) The board consists of six directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:
   (1) directors serve staggered two-year terms; and
   (2) an election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.052. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.053. OFFICERS. (a) The board shall elect a president, vice president, and secretary-treasurer from among its members.

(b) Each officer of the board serves until the next directors' election.
Sec. 1019.054. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the entire board.

Sec. 1019.055. EMPLOYEES. The board may employ a general manager, attorneys, financial advisors, bookkeepers, and architects as the board considers necessary.

Sec. 1019.056. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. All district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:
   (1) maintained at the district office; and
   (2) open to public inspection at reasonable hours.

Sec. 1019.057. SEAL. The board may adopt a seal for the district.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1019.101. DISTRICT RESPONSIBILITY. The district has full
responsibility for:
(1) operating all hospital facilities; and
(2) providing hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.102. RESTRICTION ON TAXATION AND DEBT BY OTHER ENTITY. (a) A political subdivision within the district, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district inhabitants.

(b) A governmental or other entity inside or outside the district may not impose a tax or issue bonds or other obligations on property in the district for hospital purposes or to provide medical care for district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.103. MANAGEMENT AND CONTROL. The board has full management and control of all district business, including the power to:

(1) negotiate and contract with any person;
(2) purchase or lease land;
(3) construct and equip a hospital system; and
(4) operate and maintain the hospital.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system to provide medical and hospital care to the district's residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1019.105. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any resident on request.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and

(2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an
appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.109. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient from Lipscomb County is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If an agent designated by the district determines that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the designated district agent, the board shall hold a
hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue an appropriate order.

(f) Either party to the dispute may appeal the district's determination to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.110. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1019.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:
   (1) proposed expenditures and disbursements;
   (2) estimated receipts and collections; and
   (3) the amount of taxes required to be imposed for the year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed annual budget.
   (b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.
   (c) Any district resident is entitled to:
      (1) appear at the time and place designated in the notice; and
      (2) be heard regarding any item included in the proposed budget.
Sec. 1019.153. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the fiscal year.

(b) Not later than December 31 each year, the audit shall be filed:

(1) with the comptroller; and

(2) at the district office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in the district as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.

(b) All income received by the district shall be deposited with the district depository.

(c) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1019.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or
renovation of buildings or improvements; and
(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued by the district under Section 1019.201 as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order the election on its own motion.

(c) The order calling the election must specify:
(1) the location of the polling places;
(2) the presiding election officers;
(3) the purpose of the bond issuance;
(4) the amount of the bonds to be authorized; and
(5) the maximum interest rate provided by law.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district once each week for two consecutive weeks before the date of the election. The first publication must occur at least 20 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1019.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.206. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds in the manner provided by this subchapter to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or

(2) exchanged wholly or partly for not less than a similar amount of outstanding bonds and the unpaid matured interest on the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1019.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds issued or assumed by the district for hospital purposes;
(2) provide for operation and maintenance of the hospital or hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1019.253. TAX ASSESSOR-COLLECTOR. (a) Except as provided by Subsection (b), the tax assessor-collector of Lipscomb County shall assess and collect taxes imposed by the district.
(b) By majority vote the board may appoint a district tax assessor-collector under Section 285.041, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1020. DEAD SMITH COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 1020.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Deaf Smith County Hospital District.
(4) "Hospital system" includes medical or other health care facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1020.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Deaf Smith County, Texas, unless the boundaries are expanded under Subchapter D.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1020.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1020.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected from the district at large.

(b) Directors serve staggered three-year terms.

(c) An election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.052. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 25 registered voters; and

(2) filed at least 30 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1020.054. QUALIFICATIONS FOR OFFICE. (a) A person may not serve as a director unless the person is:
   (1) a district resident; and
   (2) a qualified voter.
(b) A person is not eligible to serve as a director if the person is:
   (1) the district administrator; or
   (2) a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.056. OFFICERS. (a) The board shall elect:
   (1) a president and a vice president from among its members; and
   (2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
   (1) reported in the district's records; and
   (2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1020.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary
appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. (a) The district may spend district money, enter into agreements, or take other action it considers appropriate to recruit physicians, nurses, and other trained medical personnel, including:

(1) advertising and marketing;

(2) paying travel, recruitment, and relocation expenses;

(3) providing and subsidizing office space or other facilities for a health care professional, including a physician who agrees to render services in the district or to serve as a district employee; and

(4) subsidizing the income of a health care professional, including a physician who agrees to render services in the district.

(b) The district may pay the tuition or other expenses of a full-time medical, allied health professional, or nursing student who:

(1) is enrolled in and is in good standing at an accredited school, college, or university; and

(2) contractually agrees to render services to the district or become a district employee in return for that assistance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.063. CONTINUING EDUCATION; RETRAINING. The board may spend district money for continuing education and retraining of employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1020.064. SENIORITY; RETIREMENT BENEFITS. The board may:
(1) adopt rules related to the seniority of district employees, including rules for a retirement plan based on seniority; and
(2) give effect to previous years of service for district employees continuously employed in the operation or management of the hospital, medical, or other health care facilities:
   (A) constructed by the district; or
   (B) acquired by the district, including facilities acquired when the district was created.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1020.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing hospital care for the district's indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital, medical, or health care purposes or to provide medical care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1020.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:
(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering buildings and equipment for hospital purposes.
(b) The hospital system may include:
(1) facilities for domiciliary care of the sick, injured, or geriatric;
(2) facilities for outpatient clinics;
(3) physicians' offices;
(4) dispensaries;
(5) convalescent home facilities;
(6) necessary nurses' domiciliaries and training centers;
(7) blood banks;
(8) research centers or laboratories; and
(9) any other facilities the board considers necessary for hospital care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1020.107. PROVISION OF CERTAIN HEALTH SERVICES. The district may operate or provide for the operation of:
(1) a mobile emergency medical service; or
(2) home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.
(b) The board may lease all or part of the district's buildings and other facilities for hospital, medical, or health care purposes on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.
(c) The district may acquire or lease equipment for use in the district's hospital system and mortgage or pledge acquired equipment as security for the payment of the purchase price. A contract or lease entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract or lease.
(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants. The board may not sell or dispose of any real property unless the board affirmatively finds that the property is not needed for the operation of the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or
privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in
the manner provided by Chapter 21, Property Code, except the district
is not required to deposit in the trial court money or a bond as
provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the
district is not required to:

(1) pay in advance or provide a bond or other security for
costs in the trial court;
(2) provide a bond for the issuance of a temporary
restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an
appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1020.110. GIFTS AND ENDOWMENTS. The board may accept for
the district a gift or endowment to be held in trust and administered
by the board for the purposes and under the directions, limitations,
or other provisions prescribed in writing by the donor that are not
inconsistent with the proper management and objectives of the
district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1020.111. CONSTRUCTION CONTRACTS. A construction contract
that requires the expenditure of more than the amount provided by
Section 271.024, Local Government Code, may be made only after
competitive bidding as provided by Subchapter B, Chapter 271, Local
Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1020.112. OPERATING AND MANAGEMENT CONTRACTS. The board
may enter into an operating or management contract relating to a
district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITALIZATION. (a) The board may contract with a county or municipality located outside the district's boundaries for the hospitalization of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the hospitalization of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the hospital or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the
patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate orders.

(f) The final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.116. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) A corporation may use money, other than money the corporation pays to the district, only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.117. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.
The district is entitled to all causes of action and defenses to which similar authorities performing only governmental functions are entitled.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

#### SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1020.151. TERRITORY THAT MAY BE ANNEXED. (a) The district may annex territory that is not located in:

(1) Deaf Smith County;
(2) the boundaries of another hospital district; or
(3) the proposed boundaries of another hospital district authorized by the legislature under Section 9, Article IX, Texas Constitution.

(b) Territory may be annexed in one or more tracts. Each tract must be contiguous to:

(1) the district; or
(2) territory proposed to be annexed to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.152. PETITION TO ANNEX TERRITORY. (a) A petition requesting that territory be annexed to the district may be presented to the board. The petition must:

(1) describe the tract or tracts of land to be annexed; and
(2) be signed by 100 or a majority of the registered voters who:

(A) reside in the territory to be annexed; and
(B) own property that will be subject to district taxation if the territory is annexed.

(b) This chapter does not prohibit simultaneous action on several petitions for annexation. Each ballot proposition must be submitted for each different territory proposed to be annexed, and an election held in each territory represented by a petition.

(c) If the board receives two or more petitions for annexation that include all or part of the same territory to be annexed to the district, the petition filed first with the board shall be considered
and another petition that includes any of the same territory has no effect.

(d) The board may consider all petitions for annexation presented to it and may approve or reject each petition. The board may not partly approve or partly reject any petition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.153. ELECTION ORDER. (a) If, on receipt of a petition, the board finds that annexing the territory is in the district's best interest, the board shall within 90 days of the board's finding:

(1) approve the annexation of the territory described in the petition; and
(2) order an election on the question of annexing the territory to the district.

(b) The election order shall provide for a separate election:
(1) in the territory proposed to be annexed; and
(2) in the district.

(c) The election order shall provide for clerks as in county elections and must specify:
(1) the date of the election;
(2) the location of the polling places;
(3) the form of ballot; and
(4) the presiding judge and alternate judge for each polling place.

(d) The election order may provide that:
(1) the entire district is one election precinct; or
(2) the county election precincts be combined for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.154. BALLOT. The ballot for the election shall be printed to permit voting for or against the proposition: "The establishment of the Deaf Smith County Hospital District with extended boundaries and establishment of a hospital district tax at a
rate not to exceed 50 cents on the $100 valuation on all taxable property in the extended boundaries of the hospital district that is subject to hospital district taxation for hospital purposes."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.155. NOTICE OF ELECTION. (a) Notice of the election shall be given by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper or newspapers that individually or collectively have general circulation in the county or district.

(b) The first publication must appear at least 30 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.156. ELECTION RESULTS. (a) Territory may not be annexed to the district unless:

(1) an election is held in accordance with this subchapter; and

(2) the annexation is approved by a majority of the voters voting in the election in:

(A) the district; and

(B) the territory proposed to be annexed.

(b) If the territory is annexed to the district, a certified copy of the order canvassing the returns of the election shall be filed and recorded in the deed records of each county in which the district is located following the annexation election.

(c) An election may not be held under this subchapter within six months of an election previously held under this subchapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.157. EFFECT OF ANNEXATION. (a) Territory annexed to the district is part of the district for all purposes.
(b) The annexation of territory to the district does not change
the manner in which the board or district officers are selected.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1020.201. BUDGET. (a) The district administrator shall
prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial
statement of:

1. the outstanding obligations of the district;
2. the cash on hand in each district fund;
3. the money received by the district from all sources
during the previous year;
4. the money available to the district from all sources
during the ensuing year;
5. the balances expected at the end of the year in which
the budget is being prepared;
6. the estimated revenue and balances available to cover
the proposed budget;
7. the estimated tax rate required; and
8. the proposed expenditures and disbursements and the
estimated receipts and collections for the following fiscal year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1020.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The
board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of
the hearing shall be published one time in a newspaper or newspapers
that individually or collectively have general circulation in the
district.

(c) Any property taxpayer of the district is entitled to be
present and participate at the hearing in accordance with the rules
of decorum and procedures prescribed by the board.

(d) At the conclusion of the hearing, the board shall adopt a
budget by acting on the budget proposed by the district
administrator. The board may make any changes in the proposed budget that the board judges to be in the interest of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.203. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.204. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.205. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.206. AUDIT. (a) The board shall have an independent audit made of the district's financial condition for the fiscal year.

(b) As soon as the audit is completed, the audit shall be filed at the district's office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1020.207. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.208. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.209. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1020.210, and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.210. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Section 1020.108(c) and Subchapter F, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256,
Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER F. BONDS**

Sec. 1020.251. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

1. the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
2. equipping buildings or improvements for hospital, medical, or health care purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1020.251, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.253. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

1. the date of the election;
2. the location of the polling places;
the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized;
(5) the maximum maturity of the bonds; and
(6) the maximum interest rate of the bonds.
(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.254. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital, medical, or health care purposes; or

(2) acquire sites to be used for hospital, medical, or health care purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital or medical or health care facilities.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.255. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.
Sec. 1020.256. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Sec. 1020.257. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Sec. 1020.258. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Sec. 1020.301. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds or other obligations issued or assumed by the district for hospital purposes;

(2) provide for the operation and maintenance of the district and hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.302. TAX RATE. (a) The board may impose the tax at a rate not to exceed 50 cents on each $100 valuation of the taxable property in the district, unless the tax rate is increased as provided by Section 1020.303.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.303. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the district's maximum tax rate to a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) The maximum tax rate may not be increased unless the increase is approved by a majority of the district voters voting in an election held for that purpose.

(c) An election held under this section must be ordered and notice must be given in the manner provided for a bond election under Subchapter F.

(d) The election order must specify:
(1) the ballot proposition;
(2) the proposed maximum tax rate;
(3) the time of the election;
(4) the location of the polling places; and
(5) the presiding judge for each polling place.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1020.304. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1020.305. (b) The tax assessor-collector of Deaf Smith County shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.305. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution. (b) The district tax assessor-collector must: (1) reside in the district; and (2) own real property subject to district taxation. (c) The board shall set for the district tax assessor-collector: (1) the terms of employment; and (2) compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER H. DISSOLUTION

Sec. 1020.351. DISSOLUTION; ELECTION. (a) The district may be dissolved as provided by this subchapter. (b) The board may order an election on the question of dissolving the district and transferring the district's assets and obligations to Deaf Smith County. (c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 50 registered voters in the district. (d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1020.352. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Deaf Smith County Hospital District and the transfer of the existing district assets to and the assumption of debts and bond obligations by Deaf Smith County."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.353. ELECTION RESULTS. (a) If a majority of the votes in the election favor dissolution and transfer of the district's assets and obligations, the board shall:

(1) find that the district is dissolved; and

(2) transfer the district's assets and obligations to Deaf Smith County as provided by Section 1020.354.

(b) If a majority of the votes in the election do not favor dissolution and transfer of the district's assets and obligations, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election at which voters disapproved the proposition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1020.354. TRANSFER OF DISTRICT ASSETS. (a) If a majority of the votes in an election held under this subchapter favor dissolution and transfer of the district's assets and obligations, the board shall transfer to Deaf Smith County the land, buildings, improvements, equipment, and other assets that belong to the district.

(b) Deaf Smith County assumes all debts and obligations of the district at the time of the transfer.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
CHAPTER 1021. DONLEY COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1021.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Donley County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Donley County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1021.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1021.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district by position. To be elected, a candidate must receive a majority of the votes cast in the election for that position.

(b) The official ballot must indicate the position number of each office to be voted on at the election.

(c) A candidate may run for only one position at each election.

(d) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and

(2) the terms of directors elected to positions 1 through 3 expire in odd-numbered years and the terms of directors elected to positions 4 through 7 expire in even-numbered years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.052. NOTICE OF RUNOFF ELECTION. At least seven days before the date of a runoff election of directors, notice of the runoff election shall be published one time in a newspaper of general
circulation in Donley County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) a district resident;
(2) a freeholder; and
(3) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:

(1) the district administrator;
(2) a district employee; or
(3) a hospital staff member.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.054. BOND. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) The district shall pay for the directors' bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.055. BOARD VACANCY. If a vacancy occurs in the office of director, the board shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.056. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.

(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.059. DISTRICT ADMINISTRATOR; ASSISTANT DISTRICT ADMINISTRATORS. (a) The board may appoint a qualified person as district administrator.
(b) The board may appoint one or more assistant administrators.
(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
(1) is conditioned on the administrator performing the administrator's duties; and
Sec. 1021.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Sec. 1021.061. APPOINTMENT AND DISMISSAL OF STAFF AND EMPLOYEES.

(a) The board may appoint to or dismiss from the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Sec. 1021.062. SENIORITY; RETIREMENT BENEFITS.

The board may:

(1) adopt rules related to the seniority of district employees, including rules for a retirement plan based on seniority; and

(2) give effect to previous years of service for district employees continuously employed in the operation or management of hospital facilities acquired or constructed by the district.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 1021.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district or that has the same boundaries as the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 1950, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1021.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 1950, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1021.104. HOSPITAL SYSTEM. The hospital system, as determined by the board, may include:

(1) facilities for domiciliary care of the sick, injured,
or geriatric;
(2) facilities for outpatient clinics;
(3) dispensaries;
(4) convalescent home facilities;
(5) necessary nurses centers;
(6) research centers or laboratories;
(7) nursing homes or similar facilities for the care of the elderly; and
(8) any other facilities the board considers necessary for hospital care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 1950, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1021.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 1950, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1021.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may contract with the Health and Human Services Commission to lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1021.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 1950, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1021.110. CONSTRUCTION OR PURCHASE CONTRACTS. A construction or purchase contract that involves the expenditure of more than $2,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 1950, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1021.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITAL TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the
hospitalization of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the hospital treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services as to the hospital or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in
the mind of the district administrator, the board shall hold a
hearing and, after calling witnesses, shall:
(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.
(f) The final order of the board may be appealed to the
district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1021.115. AUTHORITY TO SUE AND BE SUED. (a) The
district, through the board, may sue and be sued.
(b) The district is entitled to all causes of action and
defenses to which similar authorities are entitled.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 1021.151. BUDGET. (a) The district administrator shall
prepare an annual budget for approval by the board.
(b) The proposed budget must contain a complete financial
statement of:
(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources
during the previous year;
(4) the money available to the district from all sources
during the ensuing year;
(5) the balances expected at the end of the year in which
the budget is being prepared;
(6) the estimated revenue and balances available to cover
the proposed budget;
(7) the estimated tax rate required; and
(8) the proposed expenditures and disbursements and the
estimated receipts and collections for the following fiscal year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.
Sec. 1021.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.  
(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.  
(c) Any property taxpayer of the district is entitled to be present and participate at the hearing.  
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interest of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.155. FISCAL YEAR. The district operates on a fiscal year that begins on July 1 and ends on June 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1021.156. AUDIT. (a) The district shall have an independent audit made of the district's financial condition for the fiscal year.

(b) As soon as the audit is completed, the audit shall be filed at the district's office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 1950, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1021.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1021.160(b) and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.
Sec. 1021.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Section 1021.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building fund reserves only in funds or securities specified by Chapter 2256, Government Code.

Sec. 1021.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Sec. 1021.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1021.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the tax
rate approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

1. the date of the election;
2. the location of the polling places;
3. the presiding and alternate election judges for each polling place;
4. the amount of the bonds to be authorized; and
5. the maximum interest rate of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1021.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for the district's hospital system facilities; or

(2) acquire sites to be used for the district's hospital system facilities.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be used in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) Refunding bonds may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER F. TAXES**

Sec. 1021.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:
(1) pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes;
(2) provide for the operation and maintenance of the district and hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1021.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1021.254.

(b) The tax assessor-collector of Donley County shall assess and collect taxes imposed by the district.
Sec. 1021.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:

(1) reside in the district; and

(2) own real property subject to district taxation.

(c) The board shall set for the district tax assessor-collector:

(1) the terms of employment; and

(2) compensation.
Sec. 1022.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners Precincts 2 and 4 of Coke County, Texas, as those boundaries existed on April 16, 1969.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1022.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.
(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.052. NOTICE OF ELECTION. At least 30 days before the date of an election of directors, notice of the election shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:
(1) signed by at least 10 qualified property taxpaying voters; and
(2) filed at least 10 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:
(1) a district resident;
(2) a freeholder; and
(3) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:
(1) the district administrator;
(2) a district employee; or
(3) a hospital staff member.
Sec. 1022.055. BOND. (a) Each director shall execute a good and sufficient bond for $10,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.
(b) The district shall pay for the directors' bonds.

Sec. 1022.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Sec. 1022.057. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Sec. 1022.058. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.
Sec. 1022.059. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.060. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board may appoint a qualified person as a district administrator. (b) The board may appoint one or more assistant administrators. (c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board. (d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that: (1) is conditioned on the administrator performing the administrator's duties; and (2) contains other conditions the board may require.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall: (1) supervise the work and activities of the district; and (2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.062. EMPLOYEES; APPOINTMENT AND DISMISSAL OF STAFF; CONTRACT WITH DOCTORS. (a) The board may appoint to or dismiss from
the staff or contract with any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.063. INDEPENDENT CONTRACTS. For any purpose permitted by applicable state law, the board may enter into an independent contract with:

(1) a person licensed to practice medicine in this state;
(2) a professional association that is organized under the Texas Professional Association Act (Article 1528f, Vernon's Texas Civil Statutes); or
(3) a nonprofit organization that is organized under and in compliance with Subchapter A, Chapter 162, Occupations Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.064. SENIORITY; RETIREMENT BENEFITS. The board may adopt rules relating to the seniority of district employees, including rules for a retirement plan based on seniority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1022.101. DISTRICT RESPONSIBILITY. (a) The district has full responsibility for providing hospital care for the district's indigent residents.

(b) The district shall provide all necessary hospital and medical care for the district's needy inhabitants.
Sec. 1022.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care in the district.

Sec. 1022.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Sec. 1022.104. HOSPITAL SYSTEM. (a) The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

(b) The hospital system may include:
(1) facilities for domiciliary care of the sick, injured, or geriatric;
(2) facilities for outpatient clinics;
(3) dispensaries;
(4) convalescent home facilities;
(5) necessary nurses' domiciliaries and training centers;
(6) blood banks;
(7) community mental health centers;
(8) research centers or laboratories; and
(9) any other facilities the board considers necessary for hospital care.
Sec. 1022.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings or other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1022.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.110. CONSTRUCTION OR PURCHASE CONTRACTS. A construction or purchase contract that involves the expenditure of more than $2,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.
Sec. 1022.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the hospitalization of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the hospital treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the hospital or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.
(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.115. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.

(b) The district is entitled to all causes of action and defenses to which similar authorities are entitled.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1022.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:
   (1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources
during the previous year;
(4) the money available to the district from all sources
during the ensuing year;
(5) the balances expected at the end of the year in which
the budget is being prepared;
(6) the estimated revenue and balances available to cover
the proposed budget;
(7) the estimated tax rate required; and
(8) the proposed expenditures and disbursements and the
estimated receipts and collections for the following fiscal year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The
board shall hold a public hearing on the proposed annual budget.
(b) At least 10 days before the date of the hearing, notice of
the hearing shall be published one time in a newspaper or newspapers
that individually or collectively have general circulation in the
district.
(c) Any property taxpayer of the district is entitled to be
present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a
budget by acting on the budget proposed by the district
administrator. The board may make any changes in the proposed budget
that the board judges to be in the interests of the taxpayers and
that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.153. AMENDMENTS TO BUDGET. The budget may be amended
as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1022.154.  RESTRICTION ON EXPENDITURES.  Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.155.  FISCAL YEAR.  The district operates on a fiscal year that begins on July 1 and ends on June 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.156.  AUDIT.  (a) The district shall have an independent audit made of the district's financial condition for the fiscal year.

(b) As soon as the audit is completed, the audit shall be filed at the district's office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.157.  INSPECTION OF AUDIT AND DISTRICT RECORDS.  The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.158.  FINANCIAL REPORT.  As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1022.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.  
(b) District money, other than money invested as provided by Section 1022.160(b), and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.  
(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1022.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.  
(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1022.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:  
(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and  
(2) equipping buildings or improvements for hospital purposes.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1022.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1022.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized; and
(5) the maximum interest rate of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1022.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the indebtedness to be refunded; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1022.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1022.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds or other obligations issued or assumed by the district for hospital purposes;
(2) provide for the operation and maintenance of the district and hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1022.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1022.254.

(b) The tax assessor-collector of Coke County shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1022.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:

(1) reside in the district; and

(2) own real property subject to district taxation.

(c) The board shall set for the district tax assessor-collector:

(1) the terms of employment; and

(2) compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1023. EASTLAND MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1023.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Eastland Memorial Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1023.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1.03, Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, unless the boundaries of the district are expanded under Subchapter H or other applicable law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 291 (H.B. 1237), Sec. 1, eff. June 14, 2013.

Sec. 1023.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1023.051. BOARD ELECTION; TERMS. (a) The district is
governed by a board of nine directors elected from the district at
large.
(b) Unless four-year terms are established under Section
285.081, Health and Safety Code:
(1) directors serve staggered two-year terms; and
(2) an election shall be held on the uniform election date
in May of each year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1023.052. NOTICE OF ELECTION. Notice of an election of
directors shall be published in accordance with Section 4.003,
Election Code, in a newspaper with general circulation in the
district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 291 (H.B. 1237), Sec. 1, eff.
June 14, 2013.

Sec. 1023.053. QUALIFICATIONS FOR OFFICE. To be eligible to be
a candidate for or to serve as a director, a person must be:
(1) a district resident; and
(2) a qualified voter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1023.054. BOARD VACANCY. (a) A vacancy in the office of
director shall be filled for the unexpired term at the next regular
election.
(b) If at least five director positions become vacant, the
remaining directors may call a special election to fill the vacancies for the unexpired terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.055. OFFICERS. (a) The board shall elect a president and a vice president from among its members.
(b) The board shall appoint a secretary.
(c) Each officer of the board serves for a term of one year.
(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.057. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.058. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.
(b) The district administrator serves at the will of the board and is entitled to compensation determined by the board.
(c) Before assuming the duties of district administrator, the board may require the administrator to execute a bond in an amount determined by the board of not less than $5,000 that is:
   (1) payable to the district; and
   (2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
   (1) supervise the work and activities of the district; and
   (2) direct the general affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:
   (1) the assistant district administrator; and
   (2) the attorney for the district.

(b) The assistant district administrator and attorney for the district serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.061. EMPLOYEES; APPOINTMENT AND RECRUITMENT OF STAFF. (a) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.
(c) The board may delegate to the district administrator the authority to employ persons for the district.

(d) The board may recruit physicians and other health care professionals or persons.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.062. PERSONNEL CONTRACTS. (a) The board may contract to provide administrative or other personnel for the operation of the hospital facilities.

(b) The term of the contract may not exceed 25 years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1023.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; and

(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1023.102. RESTRICTION ON COUNTY TAXATION AND DEBT. Eastland County may not impose a tax or issue bonds or other obligations to provide hospital or medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.104. RULES. The board may adopt rules governing:

(1) the operation of the hospital and hospital system; and

(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method of making purchases and expenditures by and for the district; and

(2) accounting and control procedures for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.
(b) The board may:

(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and

(2) mortgage or pledge the property as security for payment of the purchase price.

(c) The board may lease hospital facilities for the district to individuals, corporations, or other legal entities.

(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district. The board shall give notice of intent to sell land or buildings by publishing a notice of intent in a newspaper with general circulation in Eastland County not later than the 30th day before the date of sale.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.108. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires
relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district shall pay the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction to provide comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.110. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1023.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of the state or a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.113. PROVISION OF CERTAIN HEALTH SERVICES. The district may:

(1) operate or provide for the operation of a mobile emergency medical service; and
(2) establish and operate a home health service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) a relative of the patient who is legally responsible for the patient's support.

(b) The district without charge shall provide to a patient who resides in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative who was
legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:
   (1) call witnesses;
   (2) hear and resolve the question; and
   (3) issue a final order.

(f) A final order of the board may be appealed to a district court in Eastland County. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.115. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or hospital, as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Eastland County or the police chief of the City of Eastland to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Eastland County or the City of Eastland and is not a district resident.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1023.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand in each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.153. AMENDMENTS TO BUDGET. After adoption, the
annual budget may be amended on the board's approval.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.155. FISCAL YEAR. (a) The district operates on the fiscal year established by the board.

(b) The fiscal year may not be changed:
(1) when revenue bonds of the district are outstanding; or
(2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall
prepare for the board:
   (1) a sworn statement of the amount of district money; and
   (2) an account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.
   (b) District money, other than money invested as provided by Section 1023.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the power of the board to place a portion of district money on time deposit or to purchase certificates of deposit.
   (c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1023.110, 1023.161, 1023.162, 1023.201, 1023.204, and 1023.205, the district may not incur a debt payable from district revenue other than revenue on hand or to be on hand in the current and immediately following district fiscal years.
   (b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1023.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.
(a) The board may borrow money at a rate of interest not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.
(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the district's bonded indebtedness;
   (2) tax revenue to be collected by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or
   (3) district bonds that have been authorized but not sold.
(c) A loan for which tax revenue or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which other district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.162. AUTHORITY TO BORROW MONEY IN EMERGENCY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board determines that:
   (1) money is not available to meet lawful obligations of the district; and
   (2) an emergency exists.
(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the district's bonded indebtedness;
   (2) tax revenue to be collected by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or
   (3) district bonds that have been authorized but not sold.
(c) A loan for which tax revenue or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which other district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.
(d) The board may not spend money obtained from a loan under
this section for any purpose other than:
   (1) the purpose for which the board declared an emergency; and
   (2) if district tax revenue or bonds are pledged to pay the loan, the purpose for which the pledged taxes were imposed or the pledged bonds were authorized.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER E. BONDS**

Sec. 1023.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:
   (1) purchase, construct, acquire, repair, or renovate buildings or improvements; or
   (2) equip buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1023.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.
(b) The board may order a bond election.

(c) The order calling the election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of the polling places;
   (4) the amounts of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(d) Notice of a bond election must be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.204. REVENUE BONDS. (a) The board may issue revenue bonds to:
   (1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes; or
   (2) acquire sites to be used for hospital purposes.

   (b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

   (c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

   (d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

   (b) A refunding bond may be:
       (1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or
       (2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.
Sec. 1023.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Sec. 1023.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.
(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Sec. 1023.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or by a political subdivision of this state:
(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

SUBCHAPTER F. TAXES
Sec. 1023.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.
(b) The tax may be used to pay:
(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.
(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.
Sec. 1023.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of a tax.

(b) The tax rate for all purposes may not exceed 37.5 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Sec. 1023.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

SUBCHAPTER G. DISSOLUTION

Sec. 1023.301. DISSOLUTION; ELECTION. (a) The district may be dissolved and the district's assets and liabilities sold or transferred to another person only on approval of a majority of the district voters voting at an election held for that purpose.

(b) A majority of the directors may order an election to dissolve the district and transfer its assets and liabilities.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district, according to the most recent official list of registered voters.

(c-1) The election shall be called not later than the 60th day after the date the petition is presented to the district.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;
the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.
(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.003, eff. September 1, 2009.

Sec. 1023.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.
(b) The first publication must appear at least 35 days before the date set for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Eastland Memorial Hospital District and the transfer of its assets and liabilities in the following manner: __________ (insert provisions for transfer)."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.304. ELECTION RESULTS. (a) If the board finds the election results favor the proposition to dissolve the district, the board shall:
(1) issue an order declaring the district dissolved; and
(2) proceed with the sale or transfer of the district's assets and liabilities according to the plan proposed on the ballot.
(b) If the board finds the election results do not favor the
proposition to dissolve the district, another dissolution election may not be held before the first anniversary of the date of the election in which voters disapproved the proposition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the district's assets to Eastland County or another governmental entity in Eastland County; or

(2) administer the district's assets and debts until all assets have been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), Eastland County or the governmental entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) The district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of the district's assets and liabilities may not:

(1) contravene a trust indenture or bond resolution relating to the outstanding bonds of the district; or

(2) diminish or impair the rights of the holders of any outstanding bonds, warrants, or other obligations of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of citizens in the district, including the citizens' collective property rights in the district's assets.

(d) The district may not transfer or dispose of the district's
assets except for due compensation unless:
(1) the transfer is made to another governmental agency embracing the district; and
(2) the transferred assets are used for the benefit of the citizens formerly in the district.
(e) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) If a majority of the votes in an election to dissolve the district favor dissolution, the board shall:
(1) determine the debt owed by the district; and
(2) impose a tax on the taxable property in the district at a rate that will raise sufficient revenue to pay the debt owed by the district.
(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.
(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the funds to the county tax assessor-collector.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1023.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Eastland County summarizing the board's actions in dissolving the district.
(b) Not later than the 10th day after the date the Commissioners Court of Eastland County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving
the district and releasing the board from any further duty or obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER H. EXPANSION OF DISTRICT TERRITORY**

Sec. 1023.401. EXPANSION OF DISTRICT TERRITORY. (a) The district may expand its territory in the manner provided by Section 286.101, Health and Safety Code, for the expansion of the territory of a hospital district created under Chapter 286, Health and Safety Code.

(b) The board shall hold an election under this section on the first uniform election date that allows the board sufficient time to comply with applicable requirements of law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 291 (H.B. 1237), Sec. 2, eff. June 14, 2013.

**CHAPTER 1024. ECTOR COUNTY HOSPITAL DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 1024.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Ector County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.003. ESSENTIAL PUBLIC FUNCTION. The district is a
public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Ector County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4569, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1024.051. BOARD ELECTION; TERMS. (a) The district is governed by a board of seven directors.

(b) Except as provided by court order, one director is elected from each commissioners precinct and three directors are elected from the district at large. At an election for directors in which two directors are to be elected at large, the candidates receiving the highest and second highest number of votes are elected.

(c) Directors serve staggered four-year terms.
(d) An election shall be held on the uniform election date in May of each even-numbered year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.052. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must:

(1) be signed by at least 50 registered voters of the district as determined by the most recent official list of registered voters;

(2) be filed not later than 5 p.m. on the same day that an application for a place on the ballot must be filed under Section 144.005, Election Code; and

(3) specify the single-member district the candidate wants to represent.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 246 (H.B. 969), Sec. 1, eff. June 17, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 2, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1053 (H.B. 3097), Sec. 1, eff. June 14, 2013.
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4569, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1024.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

(1) a district resident; and
(2) a qualified voter.

(b) In addition to Subsection (a), a person who is elected from a commissioners precinct or who is appointed to fill a vacancy for a commissioners precinct must be a resident of that commissioners precinct.

(c) A district employee may not serve as a director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.055. BOND OR INSURANCE. (a) Before assuming the duties of office, each director must execute a bond payable to the district or purchase an appropriate insurance policy that names the district as its sole beneficiary, conditioned on the faithful performance of the director's duties.

(b) For each director, the board shall determine the appropriate type and value of the bond or insurance policy.

(c) The board may pay for a director's bond or pay for a director's insurance policy and premiums with district money.

(d) Each director's bond or insurance policy shall be kept in the district's permanent records.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1024.057. OFFICERS. (a) The board shall elect a president and a vice president from among its members.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.058. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.059. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in the amount determined by the board of not less than $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the administrator's duties under this chapter.
(d) The board may pay for the bond with district money.

Sec. 1024.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the general affairs of the district.

Sec. 1024.062. ASSISTANT DISTRICT ADMINISTRATORS. (a) The district administrator may appoint one or more qualified persons as assistant district administrators for the district.
(b) An assistant district administrator:
(1) serves at the will of the district administrator; and
(2) is entitled to the compensation determined by the board.

Sec. 1024.063. ATTORNEY. (a) The board may appoint a qualified person as the attorney for the district.
(b) The attorney for the district serves at the will of the board and is entitled to the compensation determined by the board.

Sec. 1024.064. APPOINTMENT OF STAFF. The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.
Sec. 1024.065. EMPLOYEES. (a) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Sec. 1024.066. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Sec. 1024.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; and

(2) providing medical and hospital care for the district's needy inhabitants.

Sec. 1024.102. RESTRICTION ON COUNTY TAXATION AND DEBT. Ector County may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.
Sec. 1024.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and  
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.105. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and  
(2) accounting and control procedures for the district.

(b) The board may act as a governmental entity under Chapter 2269, Government Code, for purposes of using the procurement procedures authorized by that chapter. For purposes of this subsection, notice under Section 2269.052(c), Government Code, must be provided by the district in the same manner as provided for a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:
Acts 2009, 81st Leg., R.S., Ch. 306 (H.B. 473), Sec. 1, eff. June 19, 2009.
Acts 2011, 82nd Leg., R.S., Ch. 1129 (H.B. 628), Sec. 4.06, eff. September 1, 2011.
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 22.002(32), eff. September 1, 2013.

Sec. 1024.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.
(b) The board may:
(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.
(c) The board may lease hospital facilities for the district.
(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary to exercise a right or authority conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:
(1) pay in advance or provide a bond or other security for
costs in the trial court;
(2) provide a bond for the issuance of a temporary
restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an
appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1024.109. COST OF RELOCATING OR ALTERING PROPERTY. In
exercising the power of eminent domain, if the board requires
relocating, raising, lowering, rerouting, changing the grade of, or
altering the construction of any railroad, highway, pipeline, or
electric transmission and electric distribution, telegraph, or
telephone line, conduit, pole, or facility, the district must bear
the actual cost of relocating, raising, lowering, rerouting, changing
the grade, or altering the construction to provide comparable
replacement without enhancement of facilities, after deducting the
net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1024.110. GIFTS AND ENDOWMENTS. The board may accept for
the district a gift or endowment to be held in trust for any purpose
and under any direction, limitation, or other provision prescribed in
writing by the donor that is consistent with the proper management of
the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1024.111. CONSTRUCTION CONTRACTS. (a) The board may
enter into construction contracts for the district.
(b) The board may enter into a construction contract that
involves the expenditure of more than the amount provided by Section
271.024, Local Government Code, only after competitive bidding as
provided by Subchapter B, Chapter 271, Local Government Code.
Sec. 1024.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Sec. 1024.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or

(2) provide for the investigatory or welfare needs of district inhabitants.

Sec. 1024.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; or

(2) a relative of the patient who is legally responsible for the patient's support.

(b) The district without charge shall provide to a patient who resides in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.
(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative who was legally responsible for the patient's support in the manner provided by law for collection of expenses of the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:
   (1) call witnesses;
   (2) hear and resolve the question; and
   (3) issue a final order.

(f) A final order of the board may be appealed to a district court in Ector County. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.115. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Ector County or the police chief of the City of Odessa to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Ector County or the City of Odessa and is not a district resident.

(c) The board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.116. AUTHORITY TO SUE AND BE SUED; VENUE; NONWAIVER OF IMMUNITY. (a) The board may sue and be sued on behalf of the district.
(b) An action against the board, the district, or the district's hospital system must be brought in Ector County.

(c) This chapter may not be construed to waive the district's sovereign or governmental immunity.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.117. EMPLOYMENT OF DISTRICT PEACE OFFICERS. (a) The board may employ and commission peace officers for the district.

(b) The jurisdiction of a peace officer commissioned under this section includes the property owned or controlled by the district.

(c) In a district peace officer's jurisdiction, the peace officer has the authority granted by Chapter 14, Code of Criminal Procedure.

Added by Acts 2011, 82nd Leg., R.S., Ch. 584 (H.B. 3815), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 1024.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand in each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1024.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget. 
(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.
(c) Any district resident is entitled to be present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.
(e) The budget is effective only after adoption by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.153. AMENDMENTS TO BUDGET. After adoption, the annual budget may be amended on the board's approval.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.
(b) The fiscal year may not be changed:
   (1) when revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1024.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and
(2) an account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.159. DEPOSITORY. (a) The board shall select at least one bank in Ector County to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1024.160(c) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and must remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.
Sec. 1024.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) The district may acquire, sell, lease, or contract for personal property in accordance with Subchapter A, Chapter 271, Local Government Code.

(b) Except as provided by Subsection (a) and Sections 1024.111, 1024.201, 1024.204, and 1024.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(c) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1024.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes;

or

(3) acquire and operate a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1024.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit
approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.
(b) The board may order a bond election.
(c) The order calling the election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of the polling places;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.
(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.
(e) The board shall declare the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.204. REVENUE BONDS. (a) The board may issue revenue bonds to:
   (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;
   (2) acquire sites to be used for hospital purposes; or
   (3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.
(b) The bonds must be payable from and secured by a pledge of all or part of the revenue received by the district, other than ad valorem taxes.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.
Sec. 1024.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) Refunding bonds may be:
(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Sec. 1024.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Sec. 1024.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Sec. 1024.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.
eff. April 1, 2009.

SUBCHAPTER F.  TAXES

Sec. 1024.251. IMPOSITION OF AD VALOREM TAX.  (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:
(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.252. TAX RATE.  (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.253. ELECTION TO INCREASE MAXIMUM TAX RATE.  (a) The board may order an election to increase the district's maximum ad valorem tax rate. The board shall order the election if the board receives a petition requesting an election that is signed by at least 50 registered voters in the district.

(b) The ballot for the election shall be printed to permit voting for or against the proposition: "The imposition of annual taxes by the district for hospital purposes at a rate not to exceed _____ (insert amount) cents on the $100 valuation of all taxable property in the district."

(c) If the board finds that the election results favor the proposition, the board may impose taxes as authorized by the
proposition. If the board finds that the election results do not favor the proposition, another election on the question of raising the district's maximum tax rate may not be held before the first anniversary of the date of the most recent election at which voters disapproved the proposition.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1024.254. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1025. ELECTRA HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 1025.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Electra Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.002. AUTHORITY FOR OPERATION. The district operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1025.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Justice of the Peace Precinct No. 4 of Wichita County, Texas, as those boundaries existed on June 14, 1973.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1025.051. BOARD ELECTION; TERM. The district is governed by a board of seven directors elected at large by place for staggered three-year terms. A director's election shall be held each year on the May uniform election date prescribed by Section 41.001, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
  Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.004, eff. September 1, 2009.
  Acts 2009, 81st Leg., R.S., Ch. 612 (H.B. 781), Sec. 1, eff. June 19, 2009.

Sec. 1025.052. NOTICE OF ELECTION. Notice of an election of directors shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district in accordance with Section 4.003, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
  Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.005, eff. September 1, 2009.

Sec. 1025.053. BALLOT APPLICATION. A person who wants to have the person's name printed on the ballot as a candidate for director must file an application with the board secretary in accordance with Chapter 144, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
  Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.006, eff. September 1, 2009.

Sec. 1025.054. QUALIFICATIONS FOR OFFICE. (a) A person may
not be elected or appointed as a director unless the person is:
   (1) a district resident;
   (2) a qualified voter; and
   (3) a freeholder.

(b) A person is not eligible to serve as a director if the person is:
   (1) the district administrator; or
   (2) a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.056. OFFICERS. (a) The board shall elect:
   (1) a president and a vice president from among its members; and
   (2) a secretary, who need not be a director.

(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
   (1) reported in the district's records; and
   (2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1025.058. QUORUM. Any four directors constitute a quorum.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.007, eff. September 1, 2009.

Sec. 1025.059. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.008, eff. September 1, 2009.

Sec. 1025.060. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board shall appoint a qualified person as district administrator.
    (b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 87, Sec. 21.009(b), eff. September 1, 2009.
    (c) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.
    (d) Repealed by Acts 2009, 81st Leg., R.S., Ch. 87, Sec. 21.009(b), eff. September 1, 2009.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.009(a), eff. September 1, 2009.
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.009(b), eff. September 1, 2009.
Sec. 1025.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1025.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district may not impose a tax on district residents or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1025.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:

1. purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
2. equipping the buildings; and
3. administering the buildings and equipment for hospital purposes.

(b) The hospital system may include:
1. domiciliary care and treatment of the sick, injured, or geriatric;
2. outpatient clinics;
3. dispensaries;
4. convalescent home facilities;
5. necessary nurses;
6. domiciliaries and training centers;
7. blood banks;
8. community mental health centers;
9. research centers or laboratories; and
10. any other facilities the board considers necessary for hospital care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1025.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as
provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the
district is not required to:

(1) pay in advance or provide a bond or other security for
costs in the trial court;
(2) provide a bond for the issuance of a temporary
restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an
appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1025.109. GIFTS AND ENDOWMENTS. The board may accept for
the district a gift or endowment to be held in trust and administered
by the board for the purposes and under the directions, limitations,
or other provisions prescribed in writing by the donor that are not
inconsistent with the proper management and objectives of the
district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1025.110. CONSTRUCTION CONTRACTS. A construction contract
that involves an expenditure of more than the amount provided by
Section 271.024, Local Government Code, may be made only after
competitive bidding as provided by Subchapter B, Chapter 271, Local
Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.010, eff.
September 1, 2009.

Sec. 1025.111. OPERATING AND MANAGEMENT CONTRACTS. The board
may enter into an operating or management contract relating to a
district facility.
Sec. 1025.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Sec. 1025.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services regarding the medical, hospital, or welfare needs of district inhabitants.

Sec. 1025.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient
or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.1145. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use money contributed by the district only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may enter into a joint venture with any public or private entity or individual to provide health care or other services the district is authorized to provide under this chapter.

(d) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(e) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.012, eff. September 1, 2009.
Sec. 1025.115. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1025.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.
Sec. 1025.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.156. AUDIT. The board shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.
Sec. 1025.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Sec. 1025.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1025.160(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Sec. 1025.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1025.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.
(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:
(1) district revenue that is not pledged to pay the district's bonded indebtedness;
(2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal or interest on district bonds; or
(3) a district bond that has been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2009, 81st Leg., R.S., Ch. 612 (H.B. 781), Sec. 2, eff. June 19, 2009.

SUBCHAPTER E. BONDS

Sec. 1025.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1025.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1025.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

1. the date of the election;
2. the location of the polling places;
3. the presiding and alternate election judges for each polling place;
4. the amount of the bonds to be authorized; and
5. the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the
district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.208. BONDS EXEMPT FROM TAXATION. The following are
exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1025.202 and revenue and other sources authorized by Section 1025.206.

Added by Acts 2009, 81st Leg., R.S., Ch. 612 (H.B. 781), Sec. 3, eff. June 19, 2009.

Sec. 1025.210. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;
(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
(5) costs related to the bond issuance;
(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and
(7) costs of construction of a project or facility to be
provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2009, 81st Leg., R.S., Ch. 612 (H.B. 781), Sec. 3, eff. June 19, 2009.

**SUBCHAPTER F. TAXES**

Sec. 1025.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to pay:

1. indebtedness issued or assumed by the district; and
2. the maintenance and operating expenses of the district.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1025.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1025.254.

(b) The tax assessor-collector of Wichita County shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1025.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:
(1) reside in the district; and
(2) own real property subject to district taxation.

(c) The board shall set for the district tax assessor-collector:
(1) the term of employment; and
(2) compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1025.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board of directors may order an election on the question of dissolving the district and disposing of the district's assets.

(c) The board shall order an election on dissolution if the board receives a petition requesting an election that is signed by a number of registered voters of the district equal to at least 20 percent of the registered voters in the district.

(d) An election on dissolution of the district shall be held not later than the 62nd day after the date the election is ordered.

(e) The order calling the election must state:
(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(f) Section 41.001, Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.013,
Sec. 1025.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication must appear not later than the 35th day before the date set for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.013, eff. September 1, 2009.

Sec. 1025.303. BALLOT. The ballot for an election under this subchapter shall be printed to permit voting for or against the proposition: "The dissolution of the Electra County Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.013, eff. September 1, 2009.

Sec. 1025.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.013, eff. September 1, 2009.

Sec. 1025.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer to Wichita County or another governmental entity in Wichita County the land, buildings, improvements,
equipment, and other assets that belong to the district; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If the board does not make the transfer under Subsection (a)(1), the district is dissolved when all district money is disposed of and all district debts are paid or settled.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.013, eff. September 1, 2009.

Sec. 1025.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money. A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the funds to the county tax assessor-collector.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.013, eff. September 1, 2009.

Sec. 1025.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its assets and money as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Wichita County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Wichita County receives the report and determines that the requirements of this subchapter have been
fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.013, eff. September 1, 2009.

CHAPTER 1026. FARWELL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1026.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Farwell Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Farwell Independent School District in Parmer County, Texas, as those boundaries existed on January 1, 1975.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1026.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1026.051. BOARD ELECTION; TERMS. (a) The board consists of nine directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.052. NOTICE OF ELECTION. At least 30 days before the date of an election of directors, notice of the election shall be published one time in a newspaper or newspapers that individually or
collectively have general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 10 qualified taxpaying voters; and
(2) filed at least 30 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed or elected as a director unless the person is:

(1) a district resident; and
(2) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:

(1) the district administrator;
(2) a district employee; or
(3) a member of the staff of the hospital.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.056. OFFICERS. (a) The board shall elect:

(1) a president and a vice president from among its
members; and
(2) a secretary, who need not be a director.

(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.058. PETITION TO CHANGE NUMBER OF DIRECTORS. (a) A petition to increase or decrease the number of directors by one or two directors may be presented to the board at any time.

(b) A petition to increase or decrease the number of directors must:

(1) be executed by at least 100 registered voters of the district; and
(2) suggest the number of directors the petitioners believe are required for the orderly administration of district affairs.

(c) Not later than the 90th day after the date a proper petition is presented to the board, the board shall order an election on the question of changing the number of directors to a number not to exceed the number suggested by the petition.

(d) The order calling the election shall provide for election officials as in county elections and must specify:

(1) the date of the election; and
(2) the location of the polling places.

(e) Notice of the election shall be published as provided by Section 1251.003, Government Code.

(f) The ballot for the election shall be printed to permit
voting for or against the proposition: "Providing for an increase (decrease) in the number of directors of the Farwell Hospital District."

(g) If a proposition to increase the number of directors is approved by a majority of the voters participating in the election:
   (1) each director in office shall continue to serve for the term for which the director was elected or appointed; and
   (2) the board shall appoint any additional directors to serve until the next regular election of directors, at which time a successor shall be elected.

(h) If a proposition to decrease the number of directors is approved by a majority of the voters participating in the election:
   (1) the reduction takes effect at the next regular election or election of directors; and
   (2) not more than one position may be deleted at each election.

(i) Another election for the same purpose may not be held before the third anniversary of the date of an election under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.059. VOTING REQUIREMENT. A concurrence of five directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.060. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board shall appoint a qualified person as district administrator.
   (b) The board may appoint an assistant administrator.
   (c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
   (d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
(1) is conditioned on the administrator performing the administrator's duties; and
(2) contains other conditions the board may require.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.
(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.
(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1026.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1026.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the buildings and equipment for hospital purposes.

(b) The hospital system may include:

(1) domiciliary care and treatment of the sick, injured, or geriatric;
(2) outpatient clinics;
(3) dispensaries;
(4) convalescent home facilities;
(5) necessary nurses;
(6) domiciliaries and training centers;
(7) blood banks;
(8) community mental health centers;
(9) research centers or laboratories; and
(10) any other facilities the board considers necessary for hospital or extended medical care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1026.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The board may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The board may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest
is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directors, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than $10,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a
district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services as to the medical, hospital, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) Except as otherwise provided by this chapter, if the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the
patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.115. REIMBURSEMENT FOR SERVICES. If the district provides care or treatment for a sick or injured person who is not a district resident, the district may collect the reasonable value of the hospital care from a political subdivision responsible for that care. Venue in any court proceeding is in Parmer County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.116. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1026.151. BUDGET. (a) The district administrator or, if there is none, the president of the board shall prepare an annual budget for approval by the board.
(b) The proposed budget must contain a complete financial statement of:

1. the outstanding obligations of the district;
2. the cash on hand in each district fund;
3. the money received by the district from all sources during the previous year;
4. the money available to the district from all sources during the ensuing year;
5. the balances expected at the end of the year in which the budget is being prepared;
6. the estimated revenue and balances available to cover the proposed budget; and
7. the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.

(c) Any district taxpayer is entitled to be present and participate in the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the proposed budget. The board may make changes in the proposed budget that the board judges to be in the interest of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.154. RESTRICTION ON EXPENDITURES. Money may be spent
only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.  
(b) The fiscal year may not be changed more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.156. AUDIT. The board shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

1. a complete sworn statement of all district money; and
2. a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1026.159. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1026.160(b) and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1026.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1026.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings and improvements; and

(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1026.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1026.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judge for each polling place;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be published in a newspaper as provided by Section 1251.003, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The
board president shall execute the general obligation bonds in the
district's name.

(b) The board secretary shall countersign the bonds in the
manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1026.206. REVENUE BONDS. (a) The board may issue revenue
bonds to:

(1) purchase, construct, acquire, repair, renovate, or
equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of
all or part of the revenue derived from the operation of the
district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed
of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance
with the procedures and requirements prescribed by Sections 264.042,
264.043, and 264.046-264.049, Health and Safety Code, for issuance of
revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1026.207. REFUNDING BONDS. (a) The board may, without an
election, issue refunding bonds to refund outstanding indebtedness
issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied
to the payment of outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar
principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.
Sec. 1026.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

1. bonds issued by the district;
2. the transfer and issuance of the bonds; and
3. profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1026.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to pay:
1. indebtedness issued by the district; and
2. the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.253. ASSESSMENT AND COLLECTION BY SCHOOL DISTRICT ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1026.254 or 1026.255.

(b) The tax assessor-collector of the Farwell Independent School District shall assess and collect taxes imposed by the
district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:

(1) reside in the district; and

(2) own real property subject to district taxation.

(c) The board shall set for the district tax assessor-collector:

(1) the term of employment; and

(2) compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1026.255. ASSESSMENT AND COLLECTION BY TAX ASSESSOR-COLLECTOR OF ANOTHER POLITICAL SUBDIVISION. (a) The board may elect to have district taxes assessed and collected by the tax assessor-collector of a political subdivision located wholly or partly in the district. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The tax assessor-collector of the political subdivision shall assess and collect the appropriate district taxes in accordance with the board's election under Subsection (a).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1027. FISHER COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 1027.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Fisher County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Fisher County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms to the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1027.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support or maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1027.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large unless the board changes the method for electing directors under Section 1027.052.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and

(2) three directors are elected in one year and two directors are elected the following year.

(c) An election shall be held on the uniform election date in November of each year to elect the appropriate number of directors.

(d) The board shall announce the election results.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 421 (H.B. 3513), Sec. 1, eff. June 10, 2015.

Sec. 1027.052. CHANGE IN ELECTION FORMAT. (a) On its own initiative or on receipt of a petition signed by a number of district residents equal to at least 10 percent of the district's registered voters, the board by order shall seek input from district residents to determine whether to change the method of electing directors under this chapter to one of the following methods:

(1) four single-member districts and one at-large member;

(2) five single-member districts;

(3) four single-member districts, with each district coextensive with a county commissioner's precinct, and one at-large member; or

(4) cumulative voting.

(b) Not later than the 30th day after the date the board enters
the order, the board shall establish an advisory committee composed of district residents to advise and assist the board in making the determination required by Subsection (a). Committee members must represent all segments of the district's population.

(c) Not later than the 60th day after the date the advisory committee is established, the committee shall hold a public hearing regarding the proposed change in the election format. Not later than the 30th day after the date the public hearing is held, the committee shall submit a recommendation to the board that includes comments and concerns raised by district residents regarding any proposed change in the election format.

(d) After reviewing the advisory committee recommendation, the board may adopt an order changing the method by which directors are elected.

(e) A change in the election format adopted by the board under this section shall be implemented at the next general directors' election for which the change can be implemented consistently with the Election Code and federal law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.053. NOTICE OF ELECTION. (a) At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in the district.

(b) The election notice shall state:

(1) the purpose of the election;
(2) the date of the election; and
(3) the location of the polling places.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.054. QUALIFICATIONS FOR OFFICE. (a) A person may not serve as a director unless the person is:

(1) a district resident; and
(2) a qualified voter.

(b) A person is not eligible to serve as a director if the
person is:
   (1) the district administrator; or
   (2) a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.056. OFFICERS. (a) The board shall elect:
   (1) a president and a vice president from among its members; and
   (2) a secretary, who need not be a director.

   (b) Each officer of the board serves for a term of one year.

   (c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

   (1) reported in the district's records; and
   (2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.058. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.
Sec. 1027.059. DISTRICT ADMINISTRATOR.  (a) The board shall appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.

(d) The cost of the bond is the responsibility of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.061. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES.  (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The board shall determine the type, number, and location of district employees required to maintain an adequate hospital system. The board may employ fiscal agents, accountants, architects, attorneys, and other employees the board considers proper.

(c) The board may delegate to the district administrator the authority to:

(1) hire district employees, including medical
practitioners, technicians, and nurses; and

(2) incur reasonable and necessary expenses relating to the search, recruitment, and hiring of medical practitioners and district employees, including contracting with a private entity such as a professional recruiting service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1027.101. DISTRICT RESPONSIBILITY AND AUTHORITY. The district has full responsibility for:

(1) operating hospital facilities and furnishing medical and hospital care for the district's needy residents; and

(2) providing hospital care for the district's indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. (a) The board shall manage, control, and administer the hospital system and the district's money and resources.

(b) Unless specifically stated otherwise in this chapter, the board has the power to do anything which, in their opinion, is necessary for the good maintenance, operation, and welfare of the district and the district's employees, patients, and property.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1027.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:
(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the buildings and equipment for hospital purposes.
(b) The hospital system may include:
(1) facilities for domiciliary care of the sick, injured, or geriatric;
(2) facilities for outpatient clinics;
(3) dispensaries;
(4) convalescent home facilities;
(5) necessary nurses' domiciliaries and training centers;
(6) blood banks;
(7) research centers and laboratories; and
(8) ambulance and other facilities or services the board considers necessary for hospital care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1027.107. PROVISION OF CERTAIN HEALTH SERVICES. In the geographic service area designated by the board, the district may operate or provide for:

(1) the operation of a mobile emergency medical service; and

(2) home health services, long-term care services, skilled nursing care services, intermediate nursing care services, assisted living services, hospice care, or other health-related services.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type of equipment and the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants. The board may not sell or dispose of any real property unless the board affirmatively finds that the real property is not needed for the operation of the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.109. EMINENT DOMAIN. (a) The district may exercise
the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objective of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.111. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than $10,000 may be made only after advertising in the manner provided by Chapter 252, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1027.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.113. CONTRACTS FOR CARE AND TREATMENT. (a) The board may contract with a political subdivision of this state or a public or private hospital, private corporation, partnership, or cooperative, located inside or outside the district, for the care and treatment of a sick or injured person of the political subdivision.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services as to the medical, hospital, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.
(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(f) The final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.116. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.117. AUTHORITY TO PROVIDE HEALTH CARE SERVICES. (a) In this section, "health care services" includes:

(1) home health care services;
(2) respiratory or physical therapy services;
(3) mobile emergency medical services; and
(4) clinic services.

(b) This chapter does not limit the district in providing health care services to any ill or injured person, regardless of whether the person is a district resident.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1027.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand in each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

(c) Any property tax payer of the district is entitled to be present and participate at the hearing in accordance with the rules of decorum and procedures prescribed by the board.

(d) At the conclusion of the hearing, the board shall adopt a final budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1027.153.  AMENDMENTS TO BUDGET.  The budget may be amended as required by circumstances.  The board must approve all amendments.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.154.  FISCAL YEAR.  (a)  The district operates on a fiscal year established by the board.  
(b)  The fiscal year may not be changed more than once in a 24-month period.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.155.  AUDIT.  (a)  The board shall have an independent audit made of the district's financial condition for the fiscal year.  
(b)  As soon as it is completed, the audit shall be filed at the district's office.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.156.  INSPECTION OF AUDIT AND DISTRICT RECORDS.  The audit and other district records shall be open to inspection at the district's principal office.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.157.  FINANCIAL REPORT.  As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:  
(1) a complete sworn statement of all district money; and  
(2) a complete account of the disbursements of that money.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1027.158. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1027.159(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.159. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1027.108(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building fund reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.160. AUTHORITY TO BORROW MONEY IN EMERGENCY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board declares that:
(1) money is not available to meet authorized obligations of the district; and

(2) an emergency exists.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) district taxes to be imposed by the district during the 12-month period following the date of the pledge that are not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1027.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose designed to provide, improve, or expand the district's health care services, including:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements;

(2) equipping buildings or improvements for hospital purposes; and

(3) the acquisition and operation of a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1027.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.
Sec. 1027.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized;
(5) the maximum maturity of the bonds; and
(6) the maximum interest rate of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Sec. 1027.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1027.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:
   (1) sold, with the proceeds of the refunding bonds applied to the payment of outstanding indebtedness; or
   (2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.206. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.207. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
   (1) bonds issued by the district;
   (2) the transfer and issuance of the bonds; and
   (3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER F. TAXES

Sec. 1027.251. IMPOSITION OF AD VALOREM TAX. (a) The board annually shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes;

(2) provide for the operation and maintenance of the district and hospital system, based on the final budget;

(3) make improvements and additions to the hospital system; and

(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.253. TAX ASSessor-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1027.301. DISSOLUTION; ELECTION. (a) The district may be dissolved and its assets and obligations sold or transferred to
another person only on approval of a majority of the district voters
voting in an election held for that purpose.

(b) The board may order an election on the question of
dissolving the district and disposing of the district's assets and
obligations.

(c) The board shall order an election if the board receives a
petition requesting an election that is signed by at least 300
registered district voters according to the most recent official list
of registered voters.

(c-1) The election shall be called not later than the 60th day
after the date the petition is presented to the district.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition
to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an
election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.014, eff.
September 1, 2009.

Sec. 1027.302. NOTICE OF ELECTION. (a) The board shall give
notice of an election under this subchapter by publishing once a week
for two consecutive weeks a substantial copy of the election order in
a newspaper with general circulation in the district.

(b) The first publication of the notice must appear at least 35
days before the date set for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1027.303. BALLOT. The ballot for an election under this
subchapter must be printed to permit voting for or against the
proposition: "The dissolution of the Fisher County Hospital District
and the ________ (transfer or sale, as appropriate) of its assets and liabilities in the following manner: ________.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.304. ELECTION RESULTS. (a) If the board finds the election results favor the proposition to dissolve the district, the board shall:

(1) issue an order declaring the district dissolved; and
(2) proceed with the sale or transfer of the district's assets and liabilities according to the plan proposed on the ballot.

(b) If the board finds the election results do not favor the proposition to dissolve the district, the board shall continue to administer the district and another dissolution election may not be held before the first anniversary of the date of the election in which voters disapproved the proposition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1027.305. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) The district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of the district's assets or liabilities may not:

(1) contravene a trust indenture or bond resolution relating to the district's outstanding bonds; or
(2) diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(d) The district may transfer or sell the district's assets only for due compensation, unless the transfer or sale is made to another governmental agency serving the district and using the
transferred or purchased assets for the benefit of the residents formerly in the district.

(e) A grant from federal funds is an obligation to be repaid in full.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1028. FOARD COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1028.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Foard County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Foard County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1028.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1028.051. BOARD ELECTION; TERMS. (a) The district is governed by a board of seven directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.052. NOTICE OF ELECTION. At least 50 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 15 registered voters of the
district, as determined by the most recent official lists of registered voters; and
(2) filed not later than the 46th day before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:
(1) a district resident; and
(2) a qualified voter.
(b) A district employee may not serve as a director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.055. BOND. (a) Before assuming the duties of office, each director must execute a bond for $5,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.
(b) The board may pay for a director's bond with district money.
(c) Each director's bond shall be kept in the district's permanent records.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1028.057. OFFICERS. (a) The board shall elect a president and a vice president from among its members.
(b) The board shall appoint a secretary, who need not be a director.
(c) Each officer of the board serves for a term of one year.
(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.058. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.059. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.
(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.
(c) Before assuming the duties of district administrator, the administrator must execute a bond in an amount set by the board of not less than $5,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the administrator's duties under this chapter.
(d) The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the general affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:

(1) the assistant district administrator; and
(2) the attorney for the district.

(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.063. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1028.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1028.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.102. RESTRICTION ON COUNTY TAXATION AND DEBT. Foard County may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.104. RULES. The board may adopt rules governing:

(1) the operation of the hospital and hospital system; and
the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.
(b) The board may:
(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for payment of the purchase price.
(c) The board may lease hospital facilities for the district.
(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1028.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or electric transmission, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose
and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.111. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or

(2) provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry
made into the financial circumstances of:

(1) the patient; and

(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative who was legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall:

(1) call witnesses;

(2) hear and resolve the question; and

(3) issue a final order.

(f) The final order of the board may be appealed to a district court in Foard County. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.115. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county or municipality located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county or municipality.

(b) The board shall require the sheriff of Foard County to
reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Foard County and is not a district resident.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1028.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

1. the outstanding obligations of the district;
2. the amount of cash on hand in each district fund;
3. the amount of money received by the district from all sources during the previous year;
4. the amount of money available to the district from all sources during the ensuing year;
5. the amount of the balances expected at the end of the year in which the budget is being prepared;
6. the estimated amount of revenue and balances available to cover the proposed budget; and
7. the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.153. AMENDMENTS TO BUDGET. After the budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:
   (1) during a period that revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1028.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and
(2) an account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1028.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.
Sec. 1028.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1028.111, 1028.201, 1028.204, and 1028.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Sec. 1028.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical service.

Sec. 1028.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1028.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.
Sec. 1028.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The board may order a bond election.

(c) The order calling the election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of the polling places;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Sec. 1028.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

   (1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes;
   (2) acquire sites to be used for hospital purposes; or
   (3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1028.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.207. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES
Sec. 1028.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and

(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1028.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1029. FOLLETT HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1029.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Follett Hospital District.
Sec. 1029.002. AUTHORITY FOR OPERATION. The district operates and is financed in accordance with Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 668, Acts of the 64th Legislature, Regular Session, 1975.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 1029.051. BOARD ELECTION; TERM. (a) The board consists of six directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

1. directors serve staggered two-year terms, with three directors elected each year; and

2. a directors' election shall be held on the uniform election date in May of each year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1029.052. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.053. OFFICERS. (a) The board shall elect a president, vice president, and secretary-treasurer from among its members.

(b) Each officer of the board serves until the next directors' election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.054. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the entire board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.055. EMPLOYEES. The board may employ a general manager, attorneys, financial advisors, bookkeepers, and architects.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.056. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. All district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and
(2) open to public inspection at reasonable hours.
Sec. 1029.057. SEAL. The board may adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities; and
(2) providing hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. (a) A political subdivision within the district, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district inhabitants.

(b) A governmental entity other than the district may not impose a tax or issue bonds or other obligations on property in the district for hospital purposes or to provide medical care for needy district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.103. MANAGEMENT AND CONTROL. The board has full management and control of all district business, including the power to:

(1) negotiate and contract with any person;
(2) purchase or lease land; and
(3) construct, equip, operate, and maintain a hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system to provide medical and hospital care to the district's residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.105. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any resident on request.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures for the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and

(2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a right,
power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding, the district is not required to:

1. pay in advance or provide a bond or other security for costs in the trial court;
2. provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
3. provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.109. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient from Lipscomb County is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

1. the patient; and
2. the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the expense of that care becomes a charge against the district.

(c) If an agent designated by the district determines that the
patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, the board shall hold a hearing and, after calling witnesses, shall resolve the dispute.

(f) Either party to the dispute may appeal the district's determination to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.110. AUTHORITY TO SUE AND BE SUED. The district may sue and be sued in its own name in any court of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1029.151. BUDGET. The board annually shall have a budget prepared for the next fiscal year that includes:

1. proposed expenditures and disbursements;
2. estimated receipts and collections; and
3. the amount of taxes required to be imposed for the year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.
(b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to:

(1) appear at the time and place designated in the notice; and

(2) be heard regarding any item included in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.153. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the fiscal year.

(b) Not later than December 31 of each year, the audit shall be filed:

(1) with the comptroller; and

(2) at the district office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in the district as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.

(b) All income received by the district shall be deposited with the district depository.

(c) All district money shall be secured in the manner provided for securing county funds.
SUBCHAPTER E. BONDS

Sec. 1029.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

1. the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
2. equipping buildings or improvements for hospital purposes.

Sec. 1029.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued under Section 1029.201.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Sec. 1029.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election.

(b) The board may order the election on its own motion.

(c) The order calling the election must specify:

1. the location of the polling places;
2. the presiding election officers;
3. the purpose of the bond issuance;
4. the amount of the bonds to be authorized; and
5. the maximum interest rate provided by law.

(d) Notice of a bond election shall be given by publishing a
substantial copy of the order calling the election in a newspaper of general circulation in the district once each week for two consecutive weeks before the date of the election. The first publication must occur at least 20 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.206. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or

(2) exchanged wholly or partly for not less than a similar amount of outstanding bonds and the unpaid matured interest on the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1029.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds issued or assumed by the district for hospital purposes;
(2) provide for operation and maintenance of the hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1029.253. TAX ASSESSOR-COLLECTOR. (a) Except as provided by Subsection (b), the tax assessor-collector of Lipscomb County shall assess and collect taxes imposed by the district.

(b) By majority vote the board may appoint a district tax assessor-collector under Section 285.041, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1030. FRIO HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1030.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Frio Hospital District.

Sec. 1030.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Sec. 1030.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Sec. 1030.004. DISTRICT TERRITORY. Unless the district's boundaries are expanded under Subchapter H, the boundaries of the district are coextensive with the boundaries of Frio County, Texas, except that a portion of the southern boundary follows the boundary of the Frio River beginning at the intersection of the south county line and the Frio River to the point at which the boundary intersects the Leona River and follows the Leona River to the west county line.

Sec. 1030.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.
Sec. 1030.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1030.051. BOARD ELECTION; TERM. (a) Unless the district's boundaries are expanded under Subchapter H, the district is governed by a board of seven directors.

(b) Unless the district's boundaries are expanded under Subchapter H:

(1) two directors are elected from each commissioners precinct and one director is elected from the district at large; and

(2) the portion of Precinct 4 that is in the district is combined with Precinct 1 to represent one precinct.

(c) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and

(2) an election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 623 (H.B. 4279), Sec. 2, eff. June 12, 2017.

Sec. 1030.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in accordance with Section 4.003, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:
Sec. 1030.053. BALLOT APPLICATION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary an application in accordance with Chapter 144, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:
- Acts 2017, 85th Leg., R.S., Ch. 623 (H.B. 4279), Sec. 4, eff. June 12, 2017.

Sec. 1030.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

(1) a district resident; and

(2) a qualified voter.

(b) In addition to Subsection (a), a person who is elected from a commissioners precinct or who is appointed to fill a vacancy for a commissioners precinct must be a resident of that commissioners precinct.

(c) A district employee may not serve as a director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.055. BOND; RECORD OF BOND. (a) Before assuming the duties of office, each director must execute a bond for $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the director's duties.

(b) The board may pay for a director's bond with district money.

(c) Each director's bond shall be kept in the district's permanent records.
Sec. 1030.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Sec. 1030.057. OFFICERS. (a) The board shall elect a president and a vice president from among its members.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office for the unexpired term.

Sec. 1030.058. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.

Sec. 1030.059. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.
Sec. 1030.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.
(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.
(c) Before assuming the duties of district administrator, the administrator must execute a bond in an amount determined by the board of not less than $5,000 that is:
   (1) payable to the district; and
   (2) conditioned on the faithful performance of the administrator's duties under this chapter.
(d) The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the general affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:
(1) the assistant district administrator; and
(2) the attorney for the district.
(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.063. APPOINTMENT AND RECRUITMENT OF STAFF AND
EMPLOYEES. (a) The district may employ doctors, nurses, technicians, allied health personnel, administrative personnel, fiscal agents, accountants, architects, additional attorneys, and other employees necessary to carry out the district's duties and responsibilities under this chapter.

(b) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

(d) The board may spend money to recruit physicians and other needed medical professionals.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.064. HEALTH EDUCATION. The board may provide scholarships and student loans to educate county residents in health care-related fields.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.065. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1030.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.102.  RESTRICTION ON GOVERNMENTAL ENTITY TAXATION AND DEBT.  Frio County or another governmental entity located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.103.  MANAGEMENT, CONTROL, AND ADMINISTRATION.  The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.104.  RULES.  The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.105.  PURCHASING AND ACCOUNTING PROCEDURES.  The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1030.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.
(b) The board may:
(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for payment of the purchase price.
(c) The board may lease hospital facilities for the district.
(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise a right or authority conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:
(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1030.108. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.110. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1030.112. CONTRACTS FOR SERVICES. (a) The board may contract with a public or private hospital, a political subdivision of this state, or a state or federal agency for the district to provide a mobile emergency medical service or other health care services needed to provide for the investigatory or welfare needs of district inhabitants.

(b) The board may contract with any person to receive or supply the services the board considers necessary for the effective operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.113. PROVISION OF CERTAIN HEALTH SERVICES. The district may:

(1) operate or provide for the operation of a mobile emergency medical service;

(2) operate or provide for home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care; and

(3) establish any other needed medical service considered beneficial to the delivery of health care to district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.114. MEDICAL CLINICS. The district may establish and operate medical clinics for the benefit of the hospital.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an individual who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry
made into the financial circumstances of:

(1) the patient; and

(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative who was legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:

(1) call witnesses;

(2) hear and resolve the question; and

(3) issue a final order.

(f) A final order of the board may be appealed to a district court in Frio County. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.116. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital, as provided by Chapter 61, Health
and Safety Code.

(b) The board shall require the sheriff of Frio County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Frio County and is not a district resident.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.117. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1030.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

1. the outstanding obligations of the district;
2. the amount of cash on hand in each district fund;
3. the amount of money received by the district from all sources during the previous year;
4. the amount of money available to the district from all sources during the ensuing year;
5. the amount of the balances expected at the end of the year in which the budget is being prepared;
6. the estimated amount of revenue and balances available to cover the proposed budget; and
7. the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1030.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget. (b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing. (c) Any district resident is entitled to be present and participate at the hearing. (d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers. (e) The budget is effective only after adoption by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.153. AMENDMENTS TO BUDGET. After adoption, the annual budget may be amended on the board's approval.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board. (b) The fiscal year may not be changed: (1) when revenue bonds of the district are outstanding; or (2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1030.156. ANNUAL AUDIT. (a) The board annually shall have an audit made of the district's financial condition.

(b) The board shall retain the services of a qualified independent certified public accounting firm to prepare the annual audit of the district's financial condition.

(c) The firm shall prepare and submit the audit to the board not later than the 90th day following the close of the district's fiscal year.

(d) The district is not subject to audit by the Frio County auditor.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and

(2) an account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1030.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and must remain on deposit. This subsection does not limit the power of the board to
place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1030.110, 1030.201, 1030.204, and 1030.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1030.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
the time general obligation bonds are issued by the district under Section 1030.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election.

(c) The order calling the election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of the polling places;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

   (1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes;
   (2) acquire sites to be used for hospital purposes; or
   (3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the
district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) Refunding bonds may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.208. BONDS EXEMPT FROM TAXATION. The following are
exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER F. TAXES**

Sec. 1030.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 30 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.
SUBCHAPTER G. DISSOLUTION

Sec. 1030.301. DISSOLUTION; ELECTION. (a) The district may be dissolved on approval of a majority of the district voters voting in an election held for that purpose.

(b) A majority of the board may order that a dissolution election be held.

(c) The order calling the election must state:

(1) the name of the election, including the proposition to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear at least 35 days before the date set for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Frio Hospital District."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1030.304. ELECTION RESULTS. (a) If the board finds the election results favor the proposition to dissolve the district, the board shall issue an order disposing of or transferring the district's assets.

(b) If the board finds the election results do not favor the proposition to dissolve the district, another dissolution election may not be held before the first anniversary of the date of the election in which voters disapproved the proposition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1030.305. DISPOSITION OR TRANSFER OF DISTRICT ASSETS; DECLARATION OF DISSOLUTION. (a) A board order issued under Section 1030.304 that disposes of district assets must satisfy the district's debts and bond obligations in a manner that protects the interests of citizens in the district, including the citizens' collective property rights in the district's assets and property.

(b) In connection with an election in favor of dissolution, the board may not dispose of or transfer the district's assets except for due compensation unless:

(1) the assets are transferred to another governmental agency, such as a county, embracing the district; and

(2) the transferred assets are to be used for the benefit of citizens formerly in the district.

(c) A grant from federal funds, however dispensed, is an obligation to be repaid in satisfaction.

(d) On completion of the requirements of this section, the board shall declare the district dissolved.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER H. EXPANSION OF TERRITORY TO INCLUDE ALL OF FRIO COUNTY

Sec. 1030.351. PETITION TO EXPAND DISTRICT TERRITORY. (a) Registered voters of a defined territory composed of all territory within Frio County that does not include the territory of the district may file a petition with the board secretary requesting inclusion of the territory in the district.
(b) The petition must be signed by at least 50 registered voters of the territory or a majority of those voters, whichever is less.

Added by Acts 2017, 85th Leg., R.S., Ch. 623 (H.B. 4279), Sec. 5, eff. June 12, 2017.

Sec. 1030.352. NOTICE OF HEARING. (a) The board by order shall set a time and place to hold a hearing on the petition described by Section 1030.351.

(b) The hearing may not be held earlier than the 31st day after the date the board issues the order.

Added by Acts 2017, 85th Leg., R.S., Ch. 623 (H.B. 4279), Sec. 5, eff. June 12, 2017.

Sec. 1030.353. ORDER OF ANNEXATION. (a) If, after the hearing, the board finds that annexation of the territory into the district would be feasible and would benefit the district, the board may approve the annexation by a resolution entered in its minutes.

(b) The board is not required to include all of the territory described in the petition if the board finds that a change is necessary or desirable.

Added by Acts 2017, 85th Leg., R.S., Ch. 623 (H.B. 4279), Sec. 5, eff. June 12, 2017.

Sec. 1030.354. RATIFICATION ELECTION. (a) Annexation of territory is final when approved by a majority of the voters at:

(1) an election held in the district; and
(2) a separate election held on the same date in the territory to be annexed.

(b) If the district has outstanding debts or taxes, the voters in the elections to approve annexation must also determine whether the annexed territory will assume its portion of the debts or taxes on annexation.

Added by Acts 2017, 85th Leg., R.S., Ch. 623 (H.B. 4279), Sec. 5, eff.
Sec. 1030.355. BALLOT. The ballot for the elections shall be printed to permit voting for or against the following, as applicable:

(1) "Adding (description of territory to be added) to the Frio Hospital District."

(2) "(Description of territory to be added) assuming its proportionate share of the outstanding debts and taxes of the Frio Hospital District, if it is added to the district."

Added by Acts 2017, 85th Leg., R.S., Ch. 623 (H.B. 4279), Sec. 5, eff. June 12, 2017.

Sec. 1030.356. ANNEXATION ELECTION. (a) An election held under this subchapter to annex territory must be ordered in accordance with Chapter 3, Election Code.

(b) Notice of an election held under this subchapter to annex territory must be given as provided by Chapter 4, Election Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 623 (H.B. 4279), Sec. 5, eff. June 12, 2017.

Sec. 1030.357. COMPOSITION AND ELECTION OF BOARD FOLLOWING ANNEXATION. (a) If annexation is approved, the board shall be governed by a board of nine directors with two directors elected from each commissioners precinct and one director elected at large.

(b) At the next regularly scheduled board meeting following the canvassing of the election to expand the district's territory, the board shall appoint two individuals who meet the qualifications under Section 1030.054 to serve as temporary directors representing Precinct 4 until the date of the next regular election of directors.

(c) On the date of the next regular election following the approval of annexation, in addition to the directors scheduled to be elected at that election, two directors shall be elected from Precinct 4.

(d) The two initial directors elected from Precinct 4 shall draw lots to determine which director shall serve a one-year term.
CHAPTER 1031. GARZA COUNTY HEALTH CARE DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1031.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Garza County Health Care District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.002. AUTHORITY FOR OPERATION. The district operates in accordance with and has the powers and responsibilities provided by Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Garza County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.
Sec. 1031.006. PUBLIC PURPOSE; TAX EXEMPTION. All property owned by the district:
(1) shall be held for public purposes; and
(2) is exempt from taxation of every character.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1031.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.
(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:
(1) directors serve staggered two-year terms; and
(2) an election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.052. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Garza County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.053. QUALIFICATIONS FOR OFFICE. To be eligible to serve as a director, a person must:
(1) be a district resident; and
(2) have resided in the district for at least six months immediately preceding the date on which the person:
(A) files for election; or
(B) is appointed or elected as provided by Section 1031.055, if filling a vacancy in the office of director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director may be required to execute a good and sufficient bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.
(b) The board may pay for a director's bond with district money.
(c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.
(b) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.056. OFFICERS. The board shall:
(1) elect a president from among its members; and
(2) appoint a secretary from among its members.
Sec. 1031.057. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.058. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.059. MEETINGS. (a) A board meeting may be called by the president or any three directors.

(b) Notice of the time and place of a board meeting must be given to each director at least 72 hours before the time of the meeting.

(c) This section does not prevent the board by resolution from establishing a regular time and place for meetings for which special notice is not required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.060. DISTRICT ADMINISTRATOR. (a) The board shall appoint a district administrator.

(b) The district administrator may not receive an employment contract for a specified term and may be terminated at any time by the board.

(c) The district administrator may be required to execute a good and sufficient bond for $10,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the administrator's duties.

(d) The district administrator's bond shall be deposited with the district's depository bank for safekeeping.

(e) The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.061. EMPLOYMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may employ a general manager and other necessary professional and clerical personnel.

(b) The board may spend district money to recruit physicians, nurses, and other trained medical personnel. The board may pay the tuition or other expenses of a full-time medical student or other student in a health occupation who:

(1) is enrolled in and is in good standing at an accredited medical school, college, or university; and

(2) contractually agrees to become a district employee or independent contractor in return for that assistance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.062. PERSONNEL CONTRACTS. (a) The board may contract to provide administrative and other personnel for the operation of the health care facilities.

(b) The term of the contract may not exceed five years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the
district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.064. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Sections 1031.054 and 1031.060, all district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and
(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.065. SEAL. The board may adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1031.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical, hospital, and health care for the district's needy and indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Garza County or a municipality in Garza County may not impose a tax for health care purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1031.103. MANAGEMENT AND CONTROL. The management and control of the district is vested in the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.104. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.105. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:
   (1) all accounting and control procedures; and
   (2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board may:
   (1) purchase or lease property, including facilities or equipment, for the district to use in the health care system; and
   (2) mortgage or pledge the property as security for the payment of the purchase price.

(b) The board may lease district health care facilities to individuals, corporations, or other legal entities for a term not to exceed 20 years.

(c) The board may sell or otherwise dispose of the district's
property, including facilities or equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.107. COMPETITIVE BIDDING. The district may not enter into a contract that requires the district to spend at least $15,000 and creates or imposes any type of obligation or liability on the district, unless the district first submits the contract to competitive bids.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.108. EMERGENCY MEDICAL SERVICES. The board may spend district money to support emergency medical services in Garza County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who claims to be indigent is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district to handle the
inquiry determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the health care facility, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If it is determined that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's depository or treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the designated district agent, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue an appropriate order.

(f) The order may be appealed to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.111. NONINDIGENT RESIDENTS. The board may provide access to medical care to a nonindigent resident of Garza County if the nonindigent resident is charged the reasonable and customary cost of services.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.112. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1031.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:

(1) proposed expenditures and disbursements;
(2) estimated receipts and collections; and
(3) the amount of taxes required to be imposed for the year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published in a newspaper of general circulation in Garza County in accordance with Chapter 551, Government Code.

(c) Any district resident is entitled to:

(1) appear at the time and place designated in the notice; and
(2) be heard regarding any item included in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.153. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.154. ANNUAL AUDIT. The board annually shall have an independent audit made of the district's books and records for the fiscal year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1031.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.

(b) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the district's bonded indebtedness;
   (2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or
   (3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1031.201. GENERAL OBLIGATION BONDS. The board may issue general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip buildings or improvements for health care
purposes; or
         (3) acquire and operate a mobile emergency medical or air
         ambulance service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
        eff. April 1, 2009.

Sec. 1031.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
the time general obligation bonds are issued by the district under
Section 1031.201, the board shall impose an ad valorem tax at a rate
sufficient to create an interest and sinking fund to pay the
principal of and interest on the bonds as the bonds mature.
(1) The tax required by this section together with any
maintenance and operation tax the district imposes may not exceed the
tax rate approved by the voters at the election authorizing the
imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
        eff. April 1, 2009.

Sec. 1031.203. GENERAL OBLIGATION BOND ELECTION. (a) The
district may issue general obligation bonds only if the bonds are
authorized by a majority of the district voters voting at an election
held for that purpose.
(b) The board may order a bond election. The election shall be
conducted as provided by Chapter 1251, Government Code.
(c) The board shall declare the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
        eff. April 1, 2009.

Sec. 1031.204. REVENUE BONDS. (a) The district may issue
revenue bonds for any health care purpose, including a purpose
described by Section 1031.201, only if the bonds are authorized by a
majority of the district voters voting at an election held for that
purpose.
(b) The bonds must be payable from and secured by a pledge of
all or part of the revenue derived from the operation of the
district's health care system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds in the manner provided by this subchapter to refund outstanding bonds issued by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or

(2) exchanged wholly or partly for not less than a similar principal amount of the outstanding bonds and the unpaid matured interest on the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.206. MATURITY OF BONDS. District bonds must mature not later than the 40th anniversary of the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES
Sec. 1031.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to:

1. pay the interest on and create a sinking fund for warrants issued by the district for health care purposes;
2. pay for the maintenance and operation expenses of the district and health care system;
3. pay for indebtedness issued or assumed by the district;
4. make improvements and additions to the health care system; and
5. acquire necessary sites for the health care system by purchase, lease, or condemnation.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.253. ELECTION TO INCREASE MAXIMUM TAX RATE. The board may call an election to increase the maximum tax rate of the district to a specified rate allowed by law on each $100 valuation of the taxable property in the district if the board determines that an increase is necessary to carry out the purposes for which the initial tax rate was authorized.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1031.254. TAX ASSESSOR-COLLECTOR. (a) The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

(b) The tax assessor-collector shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1031.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district’s assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 10 percent of the registered voters in the district.

(d) The order calling the election must state:

1. the nature of the election, including the proposition to appear on the ballot;
2. the date of the election;
3. the hours during which the polls will be open; and
4. the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.
Sec. 1031.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Garza County Health Care District."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Garza County or another governmental entity in Garza County;

(2) sell the assets and liabilities to another person; or

(3) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsections (a)(1) and (2) do not apply and the board administers the property, assets, and debts of the district under
Subsection (a)(3), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) The dissolution of the district and the sale or transfer of the district's assets and liabilities to another person may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(b) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of the residents of the district, including the residents' collective property rights in the district's assets.

(c) The district may not transfer or dispose of the district's assets except for due compensation unless:

(1) the transfer is made to another governmental entity that serves the district; and

(2) the transferred assets are to be used for the benefit of the district's residents.

(d) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax

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money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Garza County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Garza County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1032. GONZALES HEALTHCARE SYSTEMS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1032.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means Gonzales Healthcare Systems.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.002. AUTHORITY FOR OPERATION. The district operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.
Sec. 1032.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Gonzales County except the district does not include the territory of the following districts that lie within the county as those districts existed on January 1, 1975:

1. Nixon Hospital District of Gonzales and Wilson Counties;
2. DeWitt Medical District;
3. Yoakum Hospital District; and

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1032.051. BOARD ELECTION; TERM. (a) The board consists of nine directors elected as follows:
(1) four directors, each of whom is elected from the county commissioners precinct represented by the director; and
(2) five directors from the district at large.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 1, eff. June 19, 2009.

Sec. 1032.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in accordance with Section 4.003, Election Code, in a newspaper or newspapers that individually or collectively have general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 2, eff. June 19, 2009.

Sec. 1032.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:
(1) a district resident; and
(2) a qualified voter.
(b) A person is not eligible to serve as a director if the person is:
(1) the district administrator; or
(2) a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1032.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.056. OFFICERS. (a) The board shall elect:

(1) a president and a vice president from among its members; and

(2) a secretary, who need not be a director.

(b) Each officer of the board serves for a term of one year.

(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.058. VOTING REQUIREMENT. A concurrence of five directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
   (1) is conditioned on the administrator performing the administrator's duties; and
   (2) contains other conditions the board may require.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
   (1) supervise the work and activities of the district; and
   (2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 1032.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the buildings and equipment for hospital purposes.

(b) The hospital system may include any facilities the board considers necessary for hospital care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1032.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in
the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after competitive bidding in the manner provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 3, eff. June 19, 2009.

Sec. 1032.111. OPERATING AND MANAGEMENT CONTRACTS. The board
may enter into an operating or management contract relating to a
district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1032.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE
AND TREATMENT. (a) The board may contract with a county or
municipality located outside the district's boundaries for the care
and treatment of a sick or injured person of that county or
municipality.

(b) The board may contract with this state or a federal agency
for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1032.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
INVESTIGATORY OR OTHER SERVICES. The board may contract with a
political subdivision or governmental agency for the district to
provide investigatory or other services for the medical, hospital, or
welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1032.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a
patient who resides in the district is admitted to a district
facility, the district administrator may have an inquiry made into
the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the
patient's support.

(b) If the district administrator determines that the patient
or those relatives cannot pay all or part of the costs of the care
and treatment in the hospital, the amount of the costs that cannot be
paid becomes a charge against the district.

(c) If the district administrator determines that the patient
or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and

(2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.115. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1032.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;

(2) the cash on hand in each district fund;

(3) the money received by the district from all sources during the previous year;

(4) the money available to the district from all sources during the ensuing year;

(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
(b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.
(c) Any district resident is entitled to be present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.
(b) The fiscal year may not be changed:
   (1) during a period that revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:
   (1) a complete sworn statement of all district money; and
   (2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.159. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

   (b) District money, other than money invested as provided by Section 1032.160(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on...
deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1032.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or

(3) a district bond that has been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A
loans for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 4, eff. June 19, 2009.

**SUBCHAPTER E. BONDS**

Sec. 1032.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1032.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

(1) the date of the election;

(2) the location of the polling places;

(3) the presiding and alternate election judges for each
polling place;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.
   (c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.
   (b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.206. REVENUE BONDS. (a) The board may issue revenue bonds to:
   (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
   (2) acquire sites to be used for hospital purposes.
   (b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.
   (c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
   (d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of
revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.
   (b) A refunding bond may be:
      (1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or
      (2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
   (1) bonds issued by the district;
   (2) the transfer and issuance of the bonds; and
   (3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1032.202 and revenue and other sources authorized by Section 1032.206.

Added by Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 5, eff. June 19, 2009.
Sec. 1032.210. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

1. any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
2. interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
3. costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   A. during an estimated period of acquisition or construction, not to exceed five years; and
   B. for one year after the project or facility is acquired or constructed;
4. costs related to the financing of the bond funds, including debt service reserve and contingency funds;
5. costs related to the bond issuance;
6. costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and
7. costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 5, eff. June 19, 2009.

SUBCHAPTER F. TAXES

Sec. 1032.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to pay:
1. indebtedness issued or assumed by the district; and
2. the maintenance and operating expenses of the district.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1032.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1032.254.

(b) The tax assessor-collector of Gonzales County shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1032.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must reside in the district.

(c) The board shall set for the district tax assessor-collector:

(1) the term of employment; and

(2) compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1032.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.
(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 30 percent of the registered voters in the district.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 6, eff. June 19, 2009.

Sec. 1032.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 6, eff. June 19, 2009.

Sec. 1032.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of Gonzales Healthcare Systems."

Added by Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 6, eff. June 19, 2009.

Sec. 1032.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.
(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election on the question of dissolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 6, eff. June 19, 2009.

Sec. 1032.305. TRANSFER OF ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Gonzales County or another governmental entity in Gonzales County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 6, eff. June 19, 2009.

Sec. 1032.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.
(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 6, eff. June 19, 2009.

Sec. 1032.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Gonzales County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Gonzales County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 605 (H.B. 694), Sec. 6, eff. June 19, 2009.

CHAPTER 1033. GRAPELAND HOSPITAL DISTRICT OF HOUSTON COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1033.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Grapeland Hospital District of Houston County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.002. AUTHORITY FOR CREATION. The district is created under the authority of Section 9, Article IX, Texas Constitution.
Sec. 1033.003. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Grapeland Independent School District as those boundaries existed on May 26, 1971.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1033.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.052. QUALIFICATIONS FOR OFFICE. To qualify for
election to the board, a person must:

(1) be at least 18 years of age;
(2) have been a district resident for at least two years;
and
(3) be a qualified property taxpaying voter of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall qualify for office by executing a good and sufficient commercial bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) The district shall pay for a director's bond.

(c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository for safekeeping.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.015, eff. September 1, 2009.

Sec. 1033.054. BOARD VACANCY. If a vacancy occurs in the office of director, a majority of the directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.055. OFFICERS. The board shall elect from among its members a president, a secretary, and a treasurer at the first meeting after each directors' election.
Sec. 1033.056. COMPENSATION; EXPENSES. A director serves without compensation but is entitled to reimbursement for necessary expenses incurred in the performance of official duties.

Sec. 1033.057. DISTRICT ADMINISTRATOR. (a) The board may employ a district administrator to manage the operations of the hospital system.

(b) The district administrator may employ necessary personnel to perform the services provided by the hospital system.

Sec. 1033.058. EMPLOYEES; APPOINTMENT AND DISMISSAL OF STAFF. (a) The board may appoint to or dismiss from the staff any doctors the board considers necessary for the efficient operation of the district and make temporary appointments as necessary.

(b) The board may employ an attorney, general manager, bookkeeper, architect, and other employees necessary for the efficient operation of the district.

Sec. 1033.059. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. The board shall:

(1) maintain all district records, including books, accounts, notices, minutes, and other matters of the district and the district's operation at the district office; and

(2) make those records available for public inspection at reasonable times.
Sec. 1033.101. DISTRICT RESPONSIBILITY. The district shall provide all necessary medical and hospital care for the district's needy inhabitants.

Sec. 1033.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations to provide hospital service or medical care in the district.

Sec. 1033.103. MANAGEMENT AND CONTROL OF DISTRICT. The board has full power to manage and control the district.

Sec. 1033.104. HOSPITAL SYSTEM. The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

Sec. 1033.105. RULES. (a) The board shall adopt rules for the efficient operation of the district, including district facilities. (b) The board shall:
(1) publish the rules in book form; and
(2) provide copies to interested persons on request at district expense.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in real, personal, or mixed property located in district territory if the interest is necessary or convenient for the district to exercise a power or duty conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court; or

(2) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management of the district.
Sec. 1033.109. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR HOSPITAL CARE. The board may contract with a political subdivision to provide hospital care for needy persons who reside outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A person who resides in the district is entitled to receive necessary medical and hospital care from the district regardless of whether the person has the ability to pay for the care and may apply to receive this care without cost.

(b) The board or the district administrator shall employ a person to investigate the ability of the patient and any relative who is liable for the patient's support to pay for the medical and hospital care received by the patient.

(c) If the investigator determines that the patient or relative legally liable for the patient's support cannot pay all or part of the costs of the patient's care, the expense of the care becomes a charge against the district.

(d) If the patient or a relative of the patient legally liable for the patient's support can pay for all or part of the costs of the patient's care, the board shall order the patient or relative to pay to the treasurer each week an amount specified in the order. The amount must be proportionate to the person's ability to pay.

(e) The district may collect the amount from the patient's estate, or from any relative who is liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the investigator, the board shall hold a hearing and, after calling witnesses, shall:

(1) determine the question; and

(2) make the proper order based on the board's findings.
(g) A party to the hearing who is not satisfied with the result of the order may appeal to the district court. The appeal is de novo.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1033.151. BUDGET. The board shall prepare a budget that includes:

(1) proposed expenditures and disbursements;
(2) estimated receipts and collections for the next fiscal year; and
(3) the amount of taxes required to be imposed to meet the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.152. PROPOSED BUDGET; NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 11th day before the date of the hearing.

(c) Any person is entitled to:

(1) appear at the hearing; and
(2) be heard regarding any item in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.153. FISCAL YEAR. The district's fiscal year is from October 1 to September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1033.154. ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.

(b) Not later than December 1 of each year, the board shall file a copy of the audit with:

(1) the comptroller; and

(2) the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.155. DEPOSITORY. (a) The board by resolution shall designate a bank in Houston County as the district's depository. A designated bank serves for two years and until a successor is designated.

(b) All district money shall be deposited in the depository and secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER E. BONDS**

Sec. 1033.201. BONDS. The district may issue bonds to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements; and

(2) equip buildings for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.202. TAX TO PAY BONDS. The board may issue bonds under Section 1033.201 only if the board imposes an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1033.203. BOND ELECTION. (a) The board may issue bonds under Section 1033.201 only if the bonds are authorized by a majority of district voters voting in an election held for that purpose. The total face value of the bonds may not exceed the amount specified in the election order.

(b) The board may order a bond election at any time.

(c) The order calling an election must include:

1. the time of the election;
2. the location of the polling places;
3. the form of the ballots;
4. the presiding judge for each polling place;
5. the purpose of the bond issuance;
6. the amount of the bonds to be authorized;
7. the maximum interest rate of the bonds; and
8. the maximum maturity of the bonds.

(d) A substantial copy of the election order shall be published in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first notice must be published not later than the 15th day before the date of the election.

(e) A copy of the election results must be filed with the county clerk and become a public record.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.204. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.205. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER F. TAXES

Sec. 1033.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used only to:
(1) pay the interest on and create a sinking fund for bonds issued under this chapter;
(2) provide for the operation and maintenance of the district and the hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire sites for additions to the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.253. TAX ASSESSOR AND COLLECTOR. The tax assessor-collector of Houston County shall collect taxes for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1033.301. DISSOLUTION; ELECTION. (a) The district may be dissolved as provided by this subchapter.

(b) The board may order an election on the question of dissolving the district and transferring the district's assets and obligations to a governmental entity in Houston County as specified in the election order.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 20 percent
of the registered voters in the district.

(d) The order calling the election must designate the governmental entity in Houston County to which the district's assets and obligations will be transferred.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.302. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Grapeland Hospital District and the transfer of the existing district assets to and the assumption of debts and bond obligations by _________ (name of governmental entity as specified in the election order)."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.303. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution and transfer of the district's assets and obligations, the board shall:

(1) declare that the district is dissolved; and

(2) transfer the district's assets and obligations to a governmental entity as provided by Section 1033.304.

(b) If a majority of the votes in the election do not favor dissolution and transfer of the district's assets and obligations, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district and transfer the district's assets and obligations.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1033.304. TRANSFER OF DISTRICT ASSETS. (a) If a majority of the votes in the election favor dissolution and transfer of the
district's assets and obligations, the board shall transfer to the governmental entity specified in the election order the land, buildings, improvements, equipment, and other assets that belong to the district.

(b) The governmental entity assumes all debts and obligations of the district at the time of the transfer.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1034. HALL COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1034.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Hall County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.002. AUTHORITY FOR OPERATION. The Hall County Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hall County, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1034.005. DISTRICT SUPPORT OR MAINTENANCE NOT STATE OBLIGATION. This state may not be obligated for the support or maintenance of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1034.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and
(2) an election shall be held annually on the May uniform election date, or another date authorized by law, to elect the appropriate number of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.101(1), eff. September 1, 2013.

Sec. 1034.052. NOTICE OF ELECTION. At least 35 days before the date of a directors' election, notice of the election must be published one time in a newspaper with general circulation in the district.
Sec. 1034.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least three registered voters of the district as determined by the most recent official list of registered voters; and

(2) filed by the deadline imposed by Section 144.005, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

(1) a resident of the district; and

(2) a qualified voter.

(b) A district employee may not serve as a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.056. OFFICERS. (a) The board shall elect from among its members a president and a vice president.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves a one-year term.
(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to compensation as determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in an amount determined by the board of not less than $5,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1034.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:

(1) the assistant district administrator; and

(2) the attorney for the district.

(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to compensation as determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.062. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as considered necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or
(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1034.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.102. RESTRICTION ON COUNTY TAXATION AND DEBT. Hall County may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1034.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method of making purchases and expenditures by and for the district; and

(2) accounting and control procedures for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.

(b) The board may:

(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and

(2) mortgage or pledge the property as security for payment of the purchase price.

(c) The board may lease hospital facilities for the district.

(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in
the manner provided by Chapter 21, Property Code, except that the
district is not required to deposit in the trial court money or a
bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the
district is not required to:

(1) pay in advance or provide a bond or other security for
costs in the trial court;
(2) provide a bond for the issuance of a temporary
restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an
appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1034.109. COST OF RELOCATING OR ALTERING PROPERTY. In
exercising the power of eminent domain, if the board requires
relocating, raising, lowering, rerouting, changing the grade, or
altering the construction of any railroad, highway, pipeline, or
electric transmission and electric distribution, telegraph, or
telephone line, conduit, pole, or facility, the district must bear
the actual cost of relocating, raising, lowering, rerouting, changing
the grade, or altering the construction to provide comparable
replacement without enhancement of facilities, after deducting the
net salvage value derived from the old facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1034.110. GIFTS AND ENDOWMENTS. The board may accept for
the district a gift or endowment to be held in trust for any purpose
and under any direction, limitation, or other provision prescribed in
writing by the donor that is consistent with the proper management of
the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.
Sec. 1034.111. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an individual who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) a relative of the patient legally responsible for the patient's support.

(b) To the extent that the patient or the relative of the patient legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the
relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from the estate of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:

(1) call witnesses;
(2) hear and resolve the question; and
(3) issue a final order.

(f) The final order of the board may be appealed to a district court in Hall County. The substantial evidence rule applies to the appeal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.115. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital, as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Hall County to reimburse the district for the district's care and treatment of a person confined in a jail facility of Hall County who is not a district resident.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.
Sec. 1034.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Sec. 1034.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.
   (b) The proposed budget must contain a complete financial statement, including a statement of:
       (1) the outstanding obligations of the district;
       (2) the amount of cash on hand to the credit of each district fund;
       (3) the amount of money received by the district from all sources during the previous year;
       (4) the amount of money available to the district from all sources during the ensuing year;
       (5) the amount of the balances expected at the end of the year in which the budget is being prepared;
       (6) the estimated amount of revenue and balances available to cover the proposed budget; and
       (7) the estimated tax rate required.

Sec. 1034.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
   (b) The board shall publish notice of the hearing in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.
   (c) Any district resident is entitled to be present and participate at the hearing.
   (d) At the conclusion of the hearing, the board shall adopt a
budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the annual budget or an amendment to the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1034.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and
(2) an account of the disbursements of that money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1034.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the power of the board to:

(1) place a part of district money on time deposit; or
(2) purchase certificates of deposit.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1034.111, 1034.201, 1034.204, and 1034.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.
Sec. 1034.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip buildings or improvements for hospital purposes; or
(3) acquire and operate a mobile emergency medical service.

Sec. 1034.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Sec. 1034.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election.

(c) The order calling the election must specify:

(1) the nature and date of the election;
(2) the hours during which the polls will be open;
(3) the location of the polling places;
the amount of the bonds to be authorized; and
the maximum maturity of the bonds.
(d) Notice of a bond election shall be given as provided by
Section 1251.003, Government Code.
(e) The board shall declare the results of the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1034.204. REVENUE BONDS. (a) The board may issue revenue
bonds to:
(1) purchase, construct, acquire, repair, renovate, or
equip buildings or improvements for hospital purposes;
(2) acquire sites to be used for hospital purposes; or
(3) acquire and operate a mobile emergency medical service
to assist the district in carrying out its hospital purposes.
(b) The bonds must be payable from and secured by a pledge of
all or part of the revenue derived from the operation of the
district's hospital system.
(c) The bonds may be additionally secured by a mortgage or deed
of trust lien on all or part of district property.
(d) The bonds must be issued in the manner provided by Sections
264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and
Safety Code, for issuance of revenue bonds by a county hospital
authority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1034.205. REFUNDING BONDS. (a) The board may issue
refunding bonds to refund outstanding indebtedness issued or assumed
by the district.
(b) Refunding bonds may be:
(1) sold, with the proceeds of the refunding bonds applied
to the payment of outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar
principal amount of outstanding indebtedness.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1034.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.207. EXECUTION OF BONDS. The board president shall execute district bonds in the district's name, and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or by a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1034.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and
(2) district maintenance and operating expenses.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1034.252. TAX RATE.  (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) Unless the rate is increased as provided by Section 1034.253, the tax rate for all purposes may not exceed 20 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1034.253. ELECTION TO INCREASE MAXIMUM TAX RATE.  (a) The board may order an election to increase the district's maximum tax rate to 75 cents on each $100 valuation of taxable property in the district.  The board shall order the election if the board receives a petition requesting an election that is signed by at least 50 qualified voters in the district.

(b) The ballot for the election shall be printed to permit voting for or against the proposition: "The imposition of annual taxes by the district for hospital purposes at a rate not to exceed 75 cents on the $100 valuation of all taxable property in the district."

(c) If the board finds that the election results favor the proposition, the board may impose taxes as authorized by the proposition.  If the board finds that the election results do not favor the proposition, another election on the question of increasing the district's maximum tax rate may not be held before the first anniversary of the date of the most recent election at which voters disapproved the proposition.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1034.254. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1035. DEWITT MEDICAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1035.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the DeWitt Medical District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.002. AUTHORITY FOR CREATION. The DeWitt Medical District is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 310, Acts of the 59th Legislature, Regular Session, 1965.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process does not affect:
the district's organization, existence, or validity;
(2) the district's right to issue a bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1035.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors elected from the district at large.

(b) Directors serve staggered three-year terms.

(c) An election shall be held each year on the May uniform election date under Section 41.001, Election Code, to elect the appropriate number of directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.052. NOTICE OF ELECTION. Notice of a directors' election shall be published in a newspaper of general circulation in
Sec. 1035.053. QUALIFICATIONS FOR OFFICE. (a) To be qualified to serve as a director, a person must:
(1) reside in the district; and
(2) be at least 21 years of age.
(b) A person may not serve as a director if the person:
(1) is a district employee; or
(2) was a district employee at any time during the two years preceding the date of the election.

Sec. 1035.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall qualify by executing a good and sufficient bond for $5,000 that is:
(1) approved by the board;
(2) payable to the district; and
(3) conditioned on the faithful performance of the director's duties.
(b) Each director's bond and constitutional oath or affirmation of office shall be kept in the district's permanent records.

Sec. 1035.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.
(b) If the number of directors is reduced to fewer than three, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.
Sec. 1035.056. OFFICERS. (a) At the board's first regular meeting following the annual election of the directors, the board shall elect a chair, vice chair, and secretary from among its members to serve for a term of one year.

(b) The board may create additional officer positions.

Sec. 1035.057. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the board.

Sec. 1035.058. VOTING REQUIREMENT. A concurrence of a majority of the directors is sufficient in any matter relating to district business.

Sec. 1035.059. DISTRICT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) The board shall require that before assuming the duties of district administrator the administrator must execute a bond in an amount set by the board of not less than $5,000 that is:
   (1) payable to the district; and
   (2) conditioned on the performance of the administrator's duties.
The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.061. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money to recruit physicians, nurses, or other trained medical personnel. The board may pay the tuition or other costs or expenses of a full-time medical or nursing student who:

(1) is enrolled in and is in good standing at an accredited school, college, or university; and
(2) contractually agrees to become a district employee in return for that assistance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.062. CONTINUING EDUCATION; RETRAINING. The board may spend district money for continuing education and retraining of employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.063. DOCTORS AND OTHER EMPLOYEES. The board may contract with doctors or appoint doctors to the medical staff and may employ technicians, nurses, and other employees the board considers
necessary for the efficient operation of the district. The board may delegate that authority to the district administrator.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 1035.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision in DeWitt County, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.103. MANAGEMENT AND CONTROL. (a) The board has all powers necessary, convenient, or incidental to carry out the purposes for which the district was created.

(b) The board has complete management and control of all district business, including the power to negotiate and contract with any person to purchase or lease land, to construct and equip a hospital system, to operate and maintain a hospital or hospitals, and to negotiate and contract with other political subdivisions of this state or with private individuals, associations, or corporations for those purposes as the board determines necessary or desirable.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.104. HOSPITAL SYSTEM. The district shall provide
for:

(1) the establishment of a hospital or hospital system in the district to furnish medical and hospital care to district residents by:

(A) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements for hospital purposes; and

(B) equipping the buildings and improvements for those purposes; and

(2) the administration of the hospital system for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.105. PROVISION OF CERTAIN HEALTH SERVICES. The district may provide:

(1) emergency medical services;

(2) home health care services;

(3) long-term health care services;

(4) assisted living services; or

(5) any other appropriate health care services the board determines are necessary to meet the district's needs.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.106. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for
costs in the trial court;
    (2) provide a bond for the issuance of a temporary
restraining order or a temporary injunction; or
    (3) provide a bond for costs or a supersedeas bond on an
appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1035.107. GIFTS AND ENDOWMENTS. The board may accept for
the district a gift or endowment to be held in trust and administered
by the board for the purposes and under the directions, limitations,
or other provisions prescribed in writing by the donor that are not
inconsistent with the proper management and objectives of the
district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1035.108. CONTRACT WITH NIXON HOSPITAL DISTRICT. The
district, through the board, may contract with the Nixon Hospital
District of Gonzales and Wilson Counties, Texas, for the district to
lease, manage, or operate a health care facility located in the Nixon
Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1035.109. PAYMENT FOR TREATMENT; PROCEDURES. (a) Each
year, the board may set criteria for determining residency,
eligibility for service, and the type of services available.
(b) When a patient who resides in the district is admitted to a
district facility, the district administrator may have an inquiry
made into the financial circumstances of:
    (1) the patient; and
    (2) a relative of the patient who is legally responsible
for the patient's support.
    (c) The district without charge shall provide to a patient who
resides in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay.

(d) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(e) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for collection of expenses of the last illness of a deceased person.

(f) If there is a dispute relating to an individual's ability to pay, the board shall:
   (1) call witnesses;
   (2) hear and resolve the question; and
   (3) issue a final order.

(g) The final order of the board may be appealed to a district court in the county in which the district is located. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.110. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of DeWitt County or the police chief of any municipality in the district to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of DeWitt County or the municipality and is not a district resident. A prisoner in the DeWitt County jail or in a penal or police facility located in the district is not considered a district resident unless the person would meet the
qualifications for residency notwithstanding the incarceration, its duration, or the facts surrounding the incarceration.

(c) The board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.111. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1035.151. EXPANSION OF TERRITORY; BOARD ORDER. (a) The board may order an election on the question of:

(1) expanding the district's boundaries to include all of the territory in DeWitt County that is not included in the Yoakum Hospital District;

(2) the assumption by the additional territory of a proportionate share of district debts; and

(3) the imposition of taxes in the territory to be added to the district.

(b) Subsequent elections may be held on the same issue.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.152. ANNEXATION OF TERRITORY; PETITION. (a) The district may annex one or more tracts of territory in accordance with the method provided by this subchapter.

(b) A registered voter who resides in a defined territory may file a petition with the board requesting inclusion of the territory in the district. The territory:

(1) must be contiguous to the district's boundaries or to
territory to be annexed under this subchapter; and
(2) may not be located in the boundaries of another
district or a district for which the legislature has enacted enabling
legislation.

c) The petition must:
(1) describe the territory to be annexed; and
(2) be signed by the lesser of:
(A) at least 100 registered voters who reside in that
territory; or
(B) a majority of the registered voters.

d) The board may act simultaneously on several petitions for
annexation. If more than one petition requests annexation of the
same territory, the board must act on the first petition filed.

e) The board may not amend a petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1035.153. APPROVAL OR DENIAL OF ANNEXATION PETITION. (a) If the board finds that annexation of territory into the district is
in the district's best interest, the board shall, not later than the
90th day after the date the finding is made:
(1) approve the petition filed under Section 1035.152; and
(2) order an election on the question of annexing the
territory.

(b) If the board finds that annexation is not in the district's
best interest, the board shall deny the petition filed under Section
1035.152.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1035.154. ELECTION ORDER. (a) The order calling an
election under this subchapter must state:
(1) the nature of the election, including the proposition
to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.
(b) The board shall order an annexation election required by this subchapter so that the territory included in each approved annexation petition is allowed to vote separately on inclusion in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.155. ELECTION DATE. (a) The election in the district and the election in the territory to be added or annexed must be held on the same day.

(b) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.156. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district and the area to be added or annexed.

(b) The first publication of the notice must appear at least 30 days before the date set for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.157. BALLOT. (a) The ballot for an expansion election ordered under Section 1035.151 must be printed to permit voting for or against the proposition: "Expanding the DeWitt Medical District to include all of DeWitt County except that territory included in Yoakum Hospital District, the assumption by the additional territory of its proportionate share of the district's outstanding debts, and the imposition of a tax not to exceed 75 cents on each $100 of valuation of all taxable property in the expanded area of the district."

(b) The ballot for an annexation election ordered under Section
1035.153 must be printed to permit voting for or against the proposition: "Adding (description of territory to be added) to the DeWitt Medical District, the assumption by the additional territory of its proportionate share of the district's outstanding debts, and the imposition of a tax not to exceed 75 cents on each $100 of valuation of all taxable property in the annexed area of the district."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.158. ELECTION RESULTS. (a) The district boundaries may be expanded or territory may be annexed to the district under this subchapter only if the expansion or annexation, the assumption of debt, and the imposition of taxes are approved by a majority of the voters voting at:

(1) an election held in the district; and

(2) a separate election held in the territory to be added.

(b) If the election results for an election under this subchapter are not favorable to the proposition to expand the district or to annex the territory, subsequent elections may be held on the same issue.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1035.201. DEPOSITORY. (a) The board by resolution shall designate a bank in the county as the district's depository. A designated bank serves for two years and until a successor is designated.

(b) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.202. AUTHORITY TO BORROW MONEY; SECURITY. (a) The
board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time of the loan.

(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the district's bonded indebtedness;
   (2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or
   (3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the 10th anniversary of the date the loan is made.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER F. BONDS**

Sec. 1035.251. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district for any purpose relating to:
   (1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
   (2) equipping buildings or improvements for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1035.251, an ad valorem tax shall be imposed at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.
Sec. 1035.253. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting in an election called for that purpose and ordered by the board on its own motion. (b) The election shall be conducted in accordance with Chapter 1251, Government Code.

Sec. 1035.254. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name. (b) The board secretary shall countersign the bonds.

Sec. 1035.255. INVESTMENT OF BOND PROCEEDS. Until the proceeds from the sale of district bonds are needed to carry out the bond purpose, the proceeds may be: (1) invested in direct obligations of the United States; or (2) placed on time deposit.

Sec. 1035.256. REVENUE BONDS. (a) The board may issue and sell revenue bonds in the name and on the faith and credit of the district to purchase, construct, acquire, repair, renovate, or equip buildings or improvements for district purposes. (b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system. (c) The bonds may be additionally secured by a mortgage or deed
of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for the issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER G. TAXES**

Sec. 1035.301. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

1. meet the requirements of district bonds;
2. provide for the district's maintenance and operating expenses;
3. make improvements and additions to the district's hospitals or hospital system; and
4. acquire necessary sites by gift, purchase, lease, or condemnation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.302. TAX RATE. The board shall impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1035.303. TAX ASSESSOR-COLLECTOR. The board may:

1. appoint a tax assessor-collector for the district; or
2. contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
CHAPTER 1036. HAMILTON COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1036.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Hamilton County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Commissioners Precincts 1, 2, and 4 of Hamilton County as those boundaries existed on June 14, 1989, unless the district's boundaries are expanded to be coextensive with the boundaries of the county under Subchapter G.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 1, eff. September 1, 2011.
Sec. 1036.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. This state may not become obligated for the support or maintenance of the district.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 1036.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors.  

(b) One director is elected from each commissioners precinct included in the district and two directors are elected from the district at large. If the district is expanded under Subchapter G so that the boundaries are coextensive with the boundaries of the county, one director is elected from each commissioners precinct and one director is elected from the district at large. The board shall determine which director position elected from the district at large will convert into a position elected from the additional precinct.  

(c) Unless four-year terms are established under Section 285.081, Health and Safety Code:  

(1) directors serve staggered two-year terms; and  

(2) an election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.  

Amended by:  

Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 2, eff. September 1, 2011.

Sec. 1036.052. NOTICE OF ELECTION. Notice of the election
shall be published in accordance with Section 4.003, Election Code, in a newspaper with general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
    Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 3, eff. September 1, 2011.

Sec. 1036.053. BALLOT APPLICATION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary an application in accordance with Chapter 144, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
    Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 4, eff. September 1, 2011.

Sec. 1036.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:
    (1) a district resident; and
    (2) a qualified voter.

(b) A person who is elected from a commissioners precinct or who is appointed to fill a vacancy for a commissioners precinct must be a resident of that commissioners precinct.

(c) A district employee may not serve as a director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1036.056. OFFICERS. (a) The board shall elect a
president and a vice president from among its members.

(b) The board shall appoint a secretary, who need not be a
director.

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office for the
unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1036.057. COMPENSATION; EXPENSES. A director or officer
serves without compensation but may be reimbursed for actual expenses
incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1036.058. VOTING REQUIREMENT. A concurrence of a majority
of the directors voting is necessary in any matter relating to
district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1036.059. DISTRICT ADMINISTRATOR. (a) The board may
appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board
and is entitled to the compensation determined by the board.

(c) Before assuming the duties of district administrator, the
administrator must execute a bond in the amount determined by the
board of not less than $5,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:

(1) the assistant district administrator; and

(2) the attorney for the district.

(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1036.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:
(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1036.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:
(1) operating hospital facilities; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.102. RESTRICTION ON COUNTY TAXATION AND DEBT. Hamilton County may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1036.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of the
district staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1036.105. PURCHASING AND ACCOUNTING PROCEDURES. The board
may prescribe:
(1) the method of making purchases and expenditures by and
for the district; and
(2) accounting and control procedures for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1036.106. MOBILE EMERGENCY MEDICAL SERVICE. The district
may operate or provide for the operation of a mobile emergency
medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1036.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine:
(1) the type, number, and location of buildings required to
maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.
(b) The board may:
(1) acquire property, including facilities and equipment,
for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for the
payment of the purchase price.
(c) The board may lease hospital facilities for the district.
(d) The board may sell or otherwise dispose of the property,
including facilities or equipment, for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the property interest is necessary for the district to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1036.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.111. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves an expenditure of more than the amount prescribed by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

1. furnish a mobile emergency medical service; or
2. provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1036.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect the money owed to the district from the patient's estate or from that of a relative who was legally responsible for the patient's support in the manner provided by law for collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall:

(1) call witnesses;
(2) hear and resolve the question; and
(3) issue a final order.

(f) The final order of the board may be appealed to a district court in Hamilton County. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.115. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located
outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Hamilton County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Hamilton County and is not a district resident.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1036.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand in each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1036.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget. (b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing. (c) Any district resident is entitled to be present and participate at the hearing. (d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers. (e) The budget is effective only after adoption by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.153. AMENDMENT OF BUDGET. After adoption, the annual budget may be amended on the board's approval.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board. (b) The fiscal year may not be changed: (1) during a period that revenue bonds of the district are outstanding; or (2) more than once in a 24-month period.
Sec. 1036.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Sec. 1036.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Sec. 1036.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and
(2) an account of the disbursements of that money.

Sec. 1036.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1036.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and must remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation.
Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1036.111, 1036.161, 1036.201, 1036.204, 1036.205, and 1036.210, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and the immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 5, eff. September 1, 2011.

Sec. 1036.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:
(1) district revenue that is not pledged to pay the district's bonded indebtedness;
(2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or
(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.
SUBCHAPTER E.  BONDS

Sec. 1036.201.  GENERAL OBLIGATION BONDS.  If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip buildings or improvements for hospital purposes; or
(3) acquire and operate a mobile emergency medical service.

Sec. 1036.202.  TAX TO PAY GENERAL OBLIGATION BONDS.  (a) At the time general obligation bonds are issued by the district under Section 1036.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Sec. 1036.203.  BOND ELECTION.  (a) The district may issue general obligation bonds or other bonds secured wholly or partly by an ad valorem tax, other than refunding bonds, only if the bonds are authorized by a majority of the voters voting at an election held for that purpose.

(b) The board may order a bond election.

(c) The order calling the election must specify:

(1) the nature and date of the election;
(2) the hours during which the polls will be open;
(3) the location of the polling places;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.
(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.
(e) The board shall declare the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.204. REVENUE BONDS. (a) The board may issue revenue bonds to:
(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;
(2) acquire sites to be used for hospital purposes; or
(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.
(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund an outstanding indebtedness issued or assumed by the district.
(b) Refunding bonds may be:
(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1036.206. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1036.202 and revenue and other sources authorized by Section 1036.204.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.207. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.208. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.209. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1036.210. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) construction costs of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 7, eff. September 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1036.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and

(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1036.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1036.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. EXPANSION OF DISTRICT TERRITORY

Sec. 1036.301. EXPANSION OF DISTRICT TERRITORY TO ENTIRE COUNTY. The district may expand its territory boundaries to be coextensive with the boundaries of the county in the manner provided by Section 286.101, Health and Safety Code, for the expansion of the territory of a hospital district created under Chapter 286, Health and Safety Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

SUBCHAPTER H. DISSOLUTION

Sec. 1036.401. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a
petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:
(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.402. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.403. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Hamilton County Hospital District."

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.404. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held
before the first anniversary of the date of the most recent election on the question of dissolution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.405. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Hamilton County or another governmental entity in Hamilton County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.406. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit
the money to the appropriate county tax assessor-collector.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.407. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Hamilton County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Hamilton County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order approving dissolution of the district and releasing the board from any further duty or obligation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

CHAPTER 1037. HAMLIN HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1037.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Hamlin Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.002. AUTHORITY FOR CREATION. The district is created under the authority of Section 9, Article IX, Texas Constitution. The district has the rights, powers, and duties conferred by this chapter and general laws relating to hospital districts.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1037.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 561, Acts of the 63rd Legislature, Regular Session, 1973.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1037.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large in the manner provided by Section 1037.0515.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and
(2) the terms of four directors expire in odd-numbered
years and the terms of three directors expire in even-numbered years.

(c) The election order must state the time, place, and purpose of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 986 (H.B. 2117), Sec. 1, eff. September 1, 2013.

Sec. 1037.0515. ELECTION OF DIRECTORS BY CUMULATIVE VOTING.
(a) All directors shall be elected at large using the cumulative voting procedure prescribed by this section.
(b) All director positions to be filled at the election shall be voted on as one race by all the voters of the district. Each voter is entitled to cast a number of votes equal to the number of positions to be filled at the election.
(c) A voter may cast one or more of the specified number of votes for any one or more candidates in any combination. Only whole votes may be cast and counted.
(d) If a voter casts more than the number of votes to which the voter is entitled in the election, none of the voter's votes may be counted in that election. If a voter casts fewer votes than entitled, all of the voter's votes are counted in that election.
(e) The candidates who are elected are those, in the number to be elected, receiving the highest numbers of votes.
(f) The secretary of state shall prescribe any additional procedures necessary for the orderly and proper administration of an election held in accordance with this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 986 (H.B. 2117), Sec. 2, eff. September 1, 2013.

Sec. 1037.052. NOTICE OF ELECTION. At least five days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1037.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 10 registered voters; and
(2) filed at least 25 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.054. QUALIFICATIONS FOR OFFICE. To be eligible to hold office as a director, a person must be a resident property-owning taxpaying voter of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.056. OFFICERS. (a) The board shall elect from among its members a president, vice president, secretary, and other officers as in the judgment of the board are necessary.

(b) The president is the chief executive officer of the district and has the same right to vote as any other director.

(c) If the president is absent or fails and declines to act, the vice president shall perform the president's duties and exercise the president's powers under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1037.057. COMPENSATION; EXPENSES. A director serves without compensation but may receive actual expenses incurred in attending to district business on approval of the expenses by the remainder of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.060. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary
for the efficient operation of the district and may make temporary appointments as necessary.

(b) The board shall determine the type, number, and location of district employees required to maintain an adequate hospital system. The board may employ fiscal agents, accountants, architects, attorneys, and other employees the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1037.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing hospital care for the district's indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes for the area of the district or to provide medical care for district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. (a) The board shall manage, control, and administer the hospital system and the district's money and resources.

(b) Unless specifically stated otherwise in this chapter, the board has the power to do anything which, in their opinion, is necessary for the good maintenance, operation, and welfare of the district and the district's employees, patients, and property.
Sec. 1037.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;

(2) equipping the buildings; and

(3) administering the buildings and equipment for hospital purposes.

(b) The hospital system may include:

(1) facilities for domiciliary care of the sick, injured, or geriatric;

(2) facilities for outpatient clinics;

(3) dispensaries;

(4) convalescent home facilities;

(5) necessary nurses' domiciliaries and training centers;

(6) blood banks;

(7) research centers or laboratories; and

(8) ambulance and other facilities or services the board considers necessary for hospital care.

Sec. 1037.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Sec. 1037.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.
Sec. 1037.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine the type of equipment and the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants. The board may not sell or dispose of any real property unless the board affirmatively finds that the real property is not needed for the operation of the hospital system.

Sec. 1037.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on any appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment for hospital purposes to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than $2,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or
municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the medical, hospital, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.
(e) If there is a dispute as to the ability to pay, or doubt in
the mind of the district administrator, the board shall hold a
hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate orders.

(f) The final order of the board may be appealed to the
district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1037.115. AUTHORITY TO SUE AND BE SUED. The district,
through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1037.151. BUDGET. (a) The district administrator shall
prepare an annual budget for approval by the board.
   (b) The proposed budget must contain a complete financial
statement of:
      (1) the outstanding obligations of the district;
      (2) the cash on hand in each district fund;
      (3) the money received by the district from all sources
during the previous year;
      (4) the money available to the district from all sources
during the ensuing year;
      (5) the balances expected at the end of the year in which
the budget is being prepared;
      (6) the estimated revenue and balances available to cover
the proposed budget;
      (7) the estimated tax rate required; and
      (8) the proposed expenditures and disbursements and the
estimated receipts and collections for the following fiscal year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.
Sec. 1037.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.
(c) Any district resident is entitled to be present and participate at the hearing in accordance with the rules of decorum and procedures prescribed by the board.
(d) At the conclusion of the hearing, the board shall adopt a final budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.153. AMENDMENTS TO BUDGET. The annual budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.154. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.
(b) The fiscal year may not be changed more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.155. AUDIT. (a) The board shall have an independent audit made of the district's financial condition for the fiscal year.
(b) As soon as the audit is completed, the audit shall be filed at the district's principal office.
Sec. 1037.156. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Sec. 1037.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

1. a complete sworn statement of all district money; and
2. a complete account of the disbursements of that money.

Sec. 1037.158. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1037.159(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

Sec. 1037.159. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1037.107(c) and by Subchapter E, the board may not incur an obligation payable from district
revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER E. BONDS**

Sec. 1037.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

1. the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
2. equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1037.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.
(b) The order calling the election shall provide for clerks as in county elections and must specify:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the presiding and alternate election judges for each polling place;
   (4) the amount of the bonds to be authorized;
   (5) the maximum maturity of the bonds; and
   (6) the maximum interest rate of the bonds.
(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.204. REVENUE BONDS. (a) The board may, without an election, issue revenue bonds to:
   (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
   (2) acquire sites to be used for hospital purposes.
(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.
(b) A refunding bond may be:
   (1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.206. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1037.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:
(1) pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital
purposes;
(2) provide for the operation and maintenance of the
district and hospital system, based on the final budget;
(3) make improvements and additions to the hospital system;
and
(4) acquire necessary sites for the hospital system by
purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.252. TAX RATE. (a) The board may impose the tax at
a rate not to exceed 75 cents on each $100 valuation of taxable
property in the district.

(b) In setting the tax rate, the board shall consider the
income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1037.253. TAX ASSESSOR-COLLECTOR. (a) The board shall
appoint a tax assessor-collector to assess and collect taxes imposed
by the district.

(b) The district tax assessor-collector must reside in the
district.

(c) The board shall set for the district tax assessor-
collector:
(1) the term of employment; and
(2) compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1037.301. DISSOLUTION; ELECTION. (a) The district may be
dissolved only on approval of a majority of the district voters
voting in an election held for that purpose.

(b) The board may order an election on the question of
dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(d) The election must be ordered in accordance with Section 3.005, Election Code. The order calling the election must state:
   (1) the nature of the election, including the proposition to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.

Added by Acts 2013, 83rd Leg., R.S., Ch. 987 (H.B. 2118), Sec. 1, eff. September 1, 2013.

Sec. 1037.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 987 (H.B. 2118), Sec. 1, eff. September 1, 2013.

Sec. 1037.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Hamlin Hospital District."

Added by Acts 2013, 83rd Leg., R.S., Ch. 987 (H.B. 2118), Sec. 1, eff. September 1, 2013.

Sec. 1037.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and
another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 987 (H.B. 2118), Sec. 1, eff. September 1, 2013.

Sec. 1037.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Jones County or another governmental entity in Jones County;
(2) sell the assets and liabilities to another person; or
(3) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsections (a)(1) and (2) do not apply and the board administers the property, assets, and debts of the district under Subsection (a)(3), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2013, 83rd Leg., R.S., Ch. 987 (H.B. 2118), Sec. 1, eff. September 1, 2013.

Sec. 1037.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) The dissolution of the district and the sale or transfer of the district's assets and liabilities to another person may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(b) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the
The district may not transfer or dispose of the district's assets except for due compensation unless:

1. the transfer is made to another governmental entity that serves the district; and
2. the transferred assets are to be used for the benefit of the district's residents.

Added by Acts 2013, 83rd Leg., R.S., Ch. 987 (H.B. 2118), Sec. 1, eff. September 1, 2013.

Sec. 1037.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

1. determine the debt owed by the district; and
2. impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2013, 83rd Leg., R.S., Ch. 987 (H.B. 2118), Sec. 1, eff. September 1, 2013.

Sec. 1037.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Jones County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Jones County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or
obligation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 987 (H.B. 2118), Sec. 1, eff. September 1, 2013.

CHAPTER 1038. HARDEMAN COUNTY HOSPITAL DISTRICT  
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1038.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Hardeman County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.002. AUTHORITY FOR OPERATION. The district operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners Precincts Nos. 1, 2, and 4 of Hardeman County, Texas, as those boundaries existed on May 17, 1979.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1038.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1038.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large.

(b) The board shall declare the results of the election.

(c) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

(d) An election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1001 (H.B. 4007), Sec. 1, eff. June 19, 2009.

Sec. 1038.052. NOTICE OF ELECTION. The board shall publish notice of the election in a newspaper or newspapers that individually or collectively have general circulation in the district in accordance with Section 4.003, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1038.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) a district resident; and
(2) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:

(1) the district administrator;
(2) the attorney for the district; or
(3) a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director may be required to execute a good and sufficient bond for $5,000 that is:

(1) approved by the Commissioners Court of Hardeman County;
(2) payable to the district; and
(3) conditioned on the faithful performance of the director's duties.

(b) The district may provide for a director's bond with district money.

(c) Each director's bond and constitutional oath or affirmation of office shall be kept in the district's permanent records.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1038.056. OFFICERS. (a) The board shall elect:
   (1) a president and a vice president from among its members; and
   (2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
   (1) reported in the district's records; and
   (2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.
   (b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.
   (c) On assuming the duties of district administrator, the administrator may execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
      (1) is conditioned on the administrator performing the administrator's duties; and
(2) contains other conditions the board may require.
(d) The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.061. ATTORNEY; ASSISTANT DISTRICT ADMINISTRATOR. (a) The board may appoint qualified persons as:
(1) the attorney for the district; and
(2) the assistant district administrator.
(b) The attorney for the district and the assistant district administrator serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.062. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.
(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.
(c) The board may delegate to the district administrator the authority to employ district employees, including technicians and nurses.
(d) The board may spend district money to recruit physicians, nurses, and other trained medical personnel. The board may pay the tuition or other expenses of a full-time medical student or other
student in a health occupation who:

(1) is enrolled in and is in good standing at an accredited medical school, college, or university; and

(2) contractually agrees to become a district employee or independent contractor in return for that assistance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.063. PERSONNEL CONTRACTS. (a) The board may contract to provide administrative or other personnel for the operation of the hospital facilities.

(b) The term of the contract may not exceed 25 years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 1038.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities; and

(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1038.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the system for hospital purposes.

(b) The hospital system may include any facilities the board considers necessary for hospital care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.
(b) The board may:
(1) purchase or lease property, including facilities or equipment, for the district to use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.
(c) The board may lease district hospital facilities to individuals, corporations, or other legal entities.
(d) The board may sell or otherwise dispose of the district's property.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021, Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:
(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an
Sec. 1038.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, electric transmission, telegraph or telephone line, conduit, pole, or facility, or pipeline, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are consistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.111. CONSTRUCTION CONTRACTS. A construction contract that requires the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.112. OPERATING AND MANAGEMENT CONTRACTS. The board
may enter into an operating or management contract relating to a
district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1038.113. INTERLOCAL AGREEMENT. The board may enter into
an interlocal agreement with another political subdivision to operate
the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1038.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE
AND TREATMENT. (a) The board may contract with a county or
municipality located outside the district's boundaries to reimburse
the district for the care and treatment of a sick or injured person
of that county or municipality.

(b) The district may contract with this state or a federal
agency for reimbursement for the treatment of a sick or injured
person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1038.115. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
INVESTIGATORY OR OTHER SERVICES. The board may contract with a
political subdivision or governmental agency as to the district to
provide investigatory or other services as to facilities for the
medical care, hospital, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1038.116. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a
patient who resides in the district is admitted to a district
facility, the district administrator may have an inquiry made into
the circumstances of:
   (1) the patient; and
   (2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue a final order.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.117. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use district money only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government
The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.118. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1038.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) The board shall publish notice of the hearing in accordance with Subchapter C, Chapter 551, Government Code.

(c) Any district resident is entitled to be present and
participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1038.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.159. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1038.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1038.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by this chapter, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board shall invest operating, depreciation, or building reserves in accordance with Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the district's bonded indebtedness;
   (2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or
   (3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1038.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:
   (1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
   (2) equipping buildings or improvements for hospital purposes.
Sec. 1038.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1038.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.203. BOND ELECTION. (a) The district may issue bonds, other than refunding bonds, wholly or partly secured by an ad valorem tax only if the bonds are authorized by a majority of the district voters voting at an election held in the district.

(b) Except as otherwise provided by this chapter, the election shall be conducted in accordance with Chapter 1251, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds in the
manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) Refunding bonds may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

(c) A refunding bond must mature not later than the 40th anniversary of the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS.
In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1038.202 and revenue and other sources as authorized by Section 1038.206.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.210. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER F. TAXES**

Sec. 1038.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:
(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER G. DISSOLUTION

Sec. 1038.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by a number of district residents equal to at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:
   (1) the nature of the election, including the proposition to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 1001 (H.B. 4007), Sec. 3, eff. June 19, 2009.

Sec. 1038.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Hardeman County Hospital
Sec. 1038.304. ELECTION RESULTS.  (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.305. TRANSFER OR ADMINISTRATION OF ASSETS.  (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Hardeman County or another governmental agency in Hardeman County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or agency assumes all debts and obligations of the district at the time of the transfer and the district is dissolved.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.  (a) The district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of
the district's assets or liabilities may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(d) The district may not transfer or dispose of the district's assets except for due compensation unless:

1. the transfer is made to another governmental agency that serves the district; and
2. the transferred assets are to be used for the benefit of the district's residents.

(e) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1038.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.
(a) After the board finds that the district is dissolved, the board shall:

1. determine the debt owed by the district; and
2. impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1038.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Hardeman County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Hardeman County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1039. HEMPHILL COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1039.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Hemphill County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.002. AUTHORITY FOR OPERATION. The district operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1039.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hemphill County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1039.051. BOARD ELECTION; TERM. (a) Except as provided by Section 1039.052, the board consists of five directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.052. ALTERNATIVE DIRECTOR ELECTION. (a) As an alternative to electing directors at large, the board may:

(1) provide for all or some directors to be elected from
single-member districts; and

(2) devise and implement for the directors' election a plan of apportionment as determined to be in the best interest of the district and district inhabitants.

(b) Before implementing the apportionment plan, the plan must be approved by a majority of the district voters voting at an election held for that purpose.

(c) The election must be held in the same manner as an election required for the issuance of bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.053. NOTICE OF ELECTION. At least 30 days before the date of an election of directors, notice of the election shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) a district resident; and
(2) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:

(1) the district administrator; or
(2) a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1039.056. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.058. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person to serve as district administrator of the hospital system and ancillary health care system.
(b) The board may appoint an assistant administrator.
(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
   (1) is conditioned on the administrator performing the administrator's duties; and
   (2) contains other conditions the board may require.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
   (1) supervise the work and activities of the district; and
   (2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.061. EMERGENCY ACTION. (a) In an emergency, the district administrator may take any lawful action necessary to preserve district assets or protect patient health and safety.
   (b) As soon as practicable after an emergency action is taken, the district administrator shall report the action to the board, and the board shall amend the annual budget to reflect any costs of the action.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the hospital system and the ancillary health care system and may make temporary appointments as necessary.
   (b) The district may employ fiscal agents, accountants, architects, and additional attorneys the board considers proper.
   (c) The board may delegate to the district administrator the authority to hire employees, including technicians and nurses, for
the district, the hospital system, and the ancillary health care system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1039.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and ancillary health care system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:
   (1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
   (2) equipping the buildings; and
   (3) administering the system for hospital purposes.

(b) The hospital system and ancillary health care system may
include equipment, facilities, and services the board considers necessary for hospital care and ancillary health care, including:

(1) domiciliary care and treatment of sick or injured patients;
(2) geriatric services;
(3) outpatient clinics;
(4) rural health clinics;
(5) convalescent home facilities;
(6) physician's offices;
(7) home health services;
(8) long-term care;
(9) skilled nursing care;
(10) intermediate nursing care;
(11) assisted living facilities;
(12) hospice care;
(13) ambulatory surgery centers;
(14) urgent care facilities; and
(15) operation of a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.105. RULES. The board may adopt rules governing the operation of the district, the hospital system and ancillary health care system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1039.107. DISTRICT PROPERTY, FACILITIES, EQUIPMENT, AND SERVICES. (a) The board shall determine the type, number, and location, either inside or outside the district, of facilities and services required to maintain an adequate hospital system and ancillary health care system.

(b) The board may:
(1) acquire by lease, purchase, or lease to purchase property, including facilities, supplies, and equipment, for the district for use in the hospital system and ancillary health care system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease, sell, or otherwise dispose of all or part of the district's property of any nature, including the district's hospital, ancillary health care or other facilities, buildings, supplies, or equipment, to a public or private entity on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a right, power, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.
Sec. 1039.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, electric transmission, telegraph or telephone line, conduit, pole, or facility, or pipeline, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Sec. 1039.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Sec. 1039.111. CONSTRUCTION CONTRACTS. A construction contract must be made in the manner provided by Subchapter B, Chapter 271, Local Government Code.

Sec. 1039.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract with one or more public or private entities relating to a district facility or service.
Sec. 1039.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR TREATMENT. The board may contract with a county, a municipality, this state, or a federal agency for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services as to the medical, hospital, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.115. JOINT OWNERSHIP ARRANGEMENT. The board may enter into a joint ownership arrangement for the district with a public or private entity to provide management or operating services if the board determines that the joint ownership arrangement is in the district's best interest and does not violate Section 52, Article III, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.116. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue a final order.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.117. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.118. ELECTION DATE. Notwithstanding Section 41.001(a), Election Code, the board may choose the date for an election held under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1039.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The budget must contain a complete financial statement of:

1. the outstanding obligations of the district;
2. the cash on hand in each district fund;
3. the money received by the district from all sources during the previous year;
4. the money available to the district from all sources during the ensuing year;
5. the balances expected at the end of the year in which the budget is being prepared;
6. the estimated revenue and balances available to cover the proposed budget; and
7. the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published one time in a newspaper of general circulation in the district at least 10 days before the date of the hearing.

(c) Any district resident may be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1039.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.156. ANNUAL AUDIT. (a) As soon as practicable after the end of each district fiscal year, the board shall have an audit made of the district's finances that contains a detailed accounting of disbursements.

(b) The board shall select a qualified independent accounting firm to perform the audit.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.158. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository
for district money.

(b) District money, other than money invested as provided by Section 1039.159(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit of a state or national bank that is a member of the Federal Deposit Insurance Corporation.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount insured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or provides other security in an amount sufficient to secure from loss the district money that exceeds the amount insured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.159. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1039.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Subchapter A, Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.160. TAX EXEMPTION. All property owned by the district is exempt from taxation by this state or a political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER E. BONDS

Sec. 1039.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital and ancillary health care purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1039.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue bonds payable from taxes only if the bonds are authorized by a majority of the district voters.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

(1) the date of the election;

(2) the location of the polling places;

(3) the presiding and alternate election judges for each polling place;

(4) the amount of the bonds to be authorized; and

(5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given by publishing a copy of the election order in a newspaper of general circulation in the district once a week for two consecutive weeks. The first publication must appear at least 30 days before the date of the
Sec. 1039.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital and ancillary health care purposes; or

(2) acquire sites to be used for hospital and ancillary health care purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital, hospital system, or ancillary health care system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Sec. 1039.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds payable from taxes or revenue to refund outstanding indebtedness issued, incurred, or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the indebtedness to be refunded; or

(2) exchanged wholly or partly for not less than the principal amount of outstanding indebtedness.
Sec. 1039.206. MATURITY OF BONDS. District bonds payable from
taxes or revenue must mature not later than 40 years after the date
of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1039.207. EXECUTION OF BONDS. (a) The board president
shall execute, in the district's name, district bonds payable from
taxes or revenue.

(b) The board secretary shall countersign the bonds in the
manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1039.208. BONDS EXEMPT FROM TAXATION. The following are
exempt from taxation by this state or a political subdivision of this
state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

**SUBCHAPTER F. TAXES**

Sec. 1039.251. IMPOSITION OF AD VALOREM TAX. (a) The board
shall annually impose a tax on all property in the district subject
to district taxation.

(b) The board shall impose the tax to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of
or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.
Sec. 1039.252. TAX RATE.  (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1039.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1040. HASKELL COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1040.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Haskell County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.002. AUTHORITY FOR OPERATION. The district operates in accordance with and has the powers and responsibilities provided by Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.003. POLITICAL SUBDIVISION. The district is a
political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Haskell County, except the district does not include any territory located in the Stamford Hospital District as the Stamford Hospital District existed on June 14, 1967.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1040.051. BOARD; TERM. (a) The board consists of six directors appointed by the Commissioners Court of Haskell County.
(b) Directors serve staggered two-year terms, with three directors appointed each year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.052. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed as a director unless the person is a district resident.
(b) A person may not be appointed as a director if the person is:
(1) a district employee; or
an employee of Haskell County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 131 (H.B. 795), Sec. 1, eff. May 28, 2015.

Sec. 1040.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall execute a good and sufficient bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.
(b) Repealed by Acts 2015, 84th Leg., R.S., Ch. 131, Sec. 7, eff. May 28, 2015.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 131 (H.B. 795), Sec. 7, eff. May 28, 2015.

Sec. 1040.054. OFFICERS. The board shall elect from among its members a president, a vice president, and a secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.055. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the entire board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1040.056. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.057. EMPLOYEES. The board may employ a general manager and other necessary professional and clerical personnel.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1040.053, all district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and

(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.059. SEAL. The board may adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1040.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1040.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Haskell County or a municipality in Haskell County may not impose a tax for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.103. MANAGEMENT AND CONTROL. The management and control of the district is vested in the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.104. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.105. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and

(2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.106. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for
the district to exercise a right, power, privilege, or function
conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in
the manner provided by Chapter 21, Property Code, except the district
is not required to deposit in the trial court money or a bond as
provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the
district is not required to:

(1) pay in advance or provide bond or other security for
costs in the trial court;
(2) provide bond for the issuance of a temporary
restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an
appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1040.107. GIFTS AND ENDOWMENTS. The board may accept for
the district a gift or endowment to be held in trust and administered
by the board for the purposes and under the directions, limitations,
or other provisions prescribed in writing by the donor that are not
inconsistent with the proper management and objectives of the
district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1040.108. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a
patient is admitted to a district facility, the board shall have an
inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the
patient's support.

(b) If an agent designated by the district to handle the
inquiry determines that the patient or those relatives cannot pay all
or part of the costs of the care and treatment in the hospital, the
amount of the costs that cannot be paid becomes a charge against the
district.
(c) If it is determined that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from a relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue an appropriate order.

(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.109. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1040.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:
   (1) proposed expenditures and disbursements;
   (2) estimated receipts and collections; and
   (3) the amount of taxes required to be imposed for the year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1040.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.
(b) Notice of the hearing must be published at least once in a newspaper of general circulation in Haskell County not later than the 10th day before the date of the hearing.
(c) Any district resident is entitled to:
   (1) appear at the time and place designated in the notice; and
   (2) be heard regarding any item included in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
   Acts 2015, 84th Leg., R.S., Ch. 131 (H.B. 795), Sec. 2, eff. May 28, 2015.

Sec. 1040.153. FISCAL YEAR. The district operates on a fiscal year established by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
   Acts 2015, 84th Leg., R.S., Ch. 131 (H.B. 795), Sec. 3, eff. May 28, 2015.

Sec. 1040.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the fiscal year.
(b) The audit shall be open to inspection during regular business hours at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
   Acts 2015, 84th Leg., R.S., Ch. 131 (H.B. 795), Sec. 4, eff. May 28, 2015.
Sec. 1040.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks as the district's depository.

(b) All income received by the district shall be deposited with the district depository.

(c) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 131 (H.B. 795), Sec. 5, eff. May 28, 2015.

SUBCHAPTER E. BONDS

Sec. 1040.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings and improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued by the district under Section 1040.201 as the bonds mature.

(b) The tax required by this section together with any maintenance and operation tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1040.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order the election on its own motion.

(c) The order calling the election must specify:

(1) the location of the polling places;
(2) the presiding election officers;
(3) the purpose of the bond issuance;
(4) the amount of the bonds to be authorized;
(5) the maximum interest rate of the bonds; and
(6) the maximum maturity date of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Haskell County once each week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1040.206. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds in the manner provided by this subchapter to refund outstanding bonds issued by the district.

(b) A refunding bond may be:
(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or
(2) exchanged wholly or partly for not less than a similar amount of the outstanding bonds and the unpaid matured interest on those bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.207. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospitals and the hospital system; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust on all or part of the district's property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 131 (H.B. 795), Sec. 6, eff. May 28, 2015.

Sec. 1040.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1040.202 and revenue and
other sources as authorized by Section 1040.207.

Added by Acts 2015, 84th Leg., R.S., Ch. 131 (H.B. 795), Sec. 6, eff. May 28, 2015.

Sec. 1040.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) construction costs of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2015, 84th Leg., R.S., Ch. 131 (H.B. 795), Sec. 6, eff. May 28, 2015.

SUBCHAPTER F. TAXES

Sec. 1040.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds issued or assumed by the district for hospital purposes;

(2) provide for the operation and maintenance of the
hospital or hospital system;

(3) make improvements and additions to the hospital system;

and

(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1040.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Haskell County shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1041. HIGGINS-LIPSCOMB HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1041.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Higgins-Lipscomb Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.002. AUTHORITY FOR OPERATION. The district operates and is financed in accordance with Section 9, Article IX, Texas Constitution.
Sec. 1041.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Sec. 1041.004. DISTRICT TERRITORY. The district is composed of the territory described by:

(1) Section 1, Chapter 666, Acts of the 64th Legislature, Regular Session, 1975; and

(2) Section 1, Chapter 667, Acts of the 64th Legislature, Regular Session, 1975.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1041.051. BOARD ELECTION; TERM. (a) The board consists of six directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms with three directors elected each year; and

(2) a directors' election shall be held on the uniform election date in May of each year.

(c) If two or more persons tie for the third-highest vote in a directors' election, those persons shall draw lots to determine which person is elected.

(d) A director's term begins on June 1 following the director's election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1041.052. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.053. OFFICERS. (a) The board shall elect a president, vice president, and secretary-treasurer from among its members.

(b) Each officer of the board serves until the next directors' election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.054. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the entire board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.055. EMPLOYEES. The board may employ a general manager, attorneys, financial advisors, bookkeepers, and architects.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.056. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. All district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and
(2) open to public inspection at reasonable hours.
Sec. 1041.057. SEAL. The board may adopt a seal for the district.

Sec. 1041.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities; and
(2) providing hospital care for the district's needy inhabitants.

Sec. 1041.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. (a) A political subdivision within the district, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district inhabitants.

(b) A governmental entity other than the district may not impose a tax or issue bonds or other obligations on property in the district for hospital purposes or to provide medical care for needy district inhabitants.

Sec. 1041.103. MANAGEMENT AND CONTROL. The board has full management and control of all district business, including the power to:

(1) negotiate and contract with any person;
(2) purchase or lease land; and
(3) construct, equip, operate, and maintain a hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system to provide medical and hospital care to the district's residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.105. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any resident on request.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures for the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and

(2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a right,
power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.109. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient from Lipscomb County is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the expense of that care becomes a charge against the district.

(c) If an agent designated by the district determines that the
patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, the board shall hold a hearing and, after calling witnesses, shall resolve the dispute.

(f) Either party to the dispute may appeal the district's determination to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.110. AUTHORITY TO SUE AND BE SUED. The district may sue and be sued in its own name in any court of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1041.151. BUDGET. The board annually shall have a budget prepared for the next fiscal year that includes:

(1) proposed expenditures and disbursements;
(2) estimated receipts and collections; and
(3) the amount of taxes required to be imposed for the year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.
(b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to:

(1) appear at the time and place designated in the notice; and

(2) be heard regarding any item included in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.153. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the fiscal year.

(b) Not later than December 31 of each year, the audit shall be filed:

(1) with the comptroller; and

(2) at the district office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in the district as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.

(b) All income received by the district shall be deposited with the district depository.

(c) All district money shall be secured in the manner provided for securing county funds.
SUBCHAPTER E. BONDS

Sec. 1041.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Sec. 1041.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued under Section 1041.201.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Sec. 1041.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election.

(b) The board may order the election on its own motion.

(c) The order calling the election must specify:

(1) the location of the polling places;
(2) the presiding election officers;
(3) the purpose of the bond issuance;
(4) the amount of the bonds to be authorized; and
(5) the maximum interest rate provided by law.

(d) Notice of a bond election shall be given by publishing a
substantial copy of the order calling the election in a newspaper of
general circulation in the district once each week for two
consecutive weeks before the date of the election. The first
publication must occur at least 20 days before the date of the
election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1041.204. MATURITY OF GENERAL OBLIGATION BONDS. District
general obligation bonds must mature not later than 40 years after
the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1041.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The
board president shall execute the general obligation bonds in the
district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1041.206. REFUNDING BONDS. (a) The board may, without an
election, issue refunding bonds to refund outstanding bonds issued or
assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied
to the payment of the bonds to be refunded; or

(2) exchanged wholly or partly for not less than a similar
amount of outstanding bonds and the unpaid matured interest on the
bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.
SUBCHAPTER F.  TAXES

Sec. 1041.251.  IMPOSITION OF AD VALOREM TAX.  (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds issued or assumed by the district for hospital purposes;

(2) provide for operation and maintenance of the hospital system;

(3) make improvements and additions to the hospital system; and

(4) acquire necessary sites by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.252.  TAX RATE.  The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1041.253.  TAX ASSESSOR-COLLECTOR.  (a) Except as provided by Subsection (b), the tax assessor-collector of Lipscomb County shall assess and collect taxes imposed by the district.

(b) By majority vote the board may appoint a district tax assessor-collector under Section 285.041, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1042.  HOOD COUNTY HOSPITAL DISTRICT OF HOOD COUNTY, TEXAS

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 1042.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.
(3) "District" means the Hood County Hospital District of Hood County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.002. AUTHORITY FOR CREATION. The district of Hood County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.003. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hood County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1042.051. BOARD; TERMS. (a) The board consists of:
(1) the members of the Commissioners Court of Hood County, including the county judge; and
(2) four persons appointed by the county judge.

(b) One director appointed by the county judge must be:
(1) a doctor of medicine; or
(2) a doctor of osteopathy.

(c) An appointed director serves a two-year term.

Sec. 1042.052. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each appointed director shall qualify for office by executing a good and sufficient commercial bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) The district shall pay for a director's bond.

(c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository for safekeeping.

Sec. 1042.053. BOARD VACANCY. If a vacancy occurs in the office of director, the county judge shall appoint a director.

Sec. 1042.054. OFFICERS. The board shall elect from among its members a president, a secretary, and a treasurer at the first meeting after directors are appointed under Section 1042.051.
Sec. 1042.055. COMPENSATION; EXPENSES. A director serves without compensation but is entitled to reimbursement for necessary expenses incurred in the performance of official duties.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.056. DISTRICT ADMINISTRATOR. (a) The board may employ a district administrator to manage the operations of the hospital system.

(b) The district administrator may:
   (1) employ necessary personnel to perform the services provided by the hospital system; and
   (2) appoint to the staff any physicians considered advisable for the efficient operation of the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.057. EMPLOYEES. The board may employ an attorney, general manager, bookkeeper, architect, and other employees necessary for the efficient operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. The board shall:
   (1) maintain all district records, including books, accounts, notices, minutes, and all other matters of the district and its operation, at the district office; and
   (2) make those records available for public inspection at reasonable times.
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1042.101. DISTRICT RESPONSIBILITY. The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations to provide hospital service or medical care in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.103. MANAGEMENT AND CONTROL OF DISTRICT. The management and control of the district is vested in the board, and the board has full power to manage and control the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.104. HOSPITAL SYSTEM. The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.105. RULES. (a) The board shall adopt rules for the efficient operation of the district, including district facilities.
(b) The board shall:
   (1) publish the rules in book form; and
   (2) provide copies to interested persons on request at district expense.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.107. SURPLUS PROPERTY. The board may sell or otherwise dispose of district property if the board finds the property exceeds the district's present and future needs.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in real, personal, or mixed property located in district territory if the interest is necessary or convenient for the district to exercise a power or duty conferred on the district by this chapter.

   (b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

   (c) In a condemnation proceeding, the district is not required to:

      (1) pay in advance or provide a bond or other security for costs in the trial court; or
      (2) provide a bond for costs or a supersedeas bond on an appeal or writ of error.
Sec. 1042.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management of the district.

Sec. 1042.110. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR HOSPITAL AND MEDICAL CARE. The board may contract with another political subdivision to provide hospital and medical care for needy persons who reside outside the district.

Sec. 1042.111. PAYMENT FOR TREATMENT; PROCEDURE. (a) A person who resides in the district is entitled to receive necessary medical and hospital care regardless of whether the person has the ability to pay for the care and may apply to receive this care without cost.

(b) The board or the district administrator shall employ a person to investigate the ability of the patient and any relative who is liable for the patient's support to pay for the medical and hospital care received by the patient.

(c) If the investigator determines that the patient or relative legally liable for the patient's support cannot pay all or part of the costs of the patient's care, the expense of the care becomes a charge against the district.

(d) If the patient or a relative legally liable for the patient's support can pay for all or part of the costs of the patient's care, the board shall order the patient or relative to pay to the treasurer each week an amount specified in the order. The amount must be proportionate to the person's ability to pay.

(e) The district may collect the amount from the patient's
estate, or from any relative who is liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the investigator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) determine the question; and
   (2) make the proper order based on the board's findings.

(g) A party to the hearing who is not satisfied with the result of the order may appeal to the district court. The appeal is de novo.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1042.151. BUDGET. The board shall prepare a budget that includes:
   (1) proposed expenditures and disbursements;
   (2) estimated receipts and collections for the next fiscal year; and
   (3) the amount of taxes required to be imposed to meet the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.
   (b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 11th day before the date of the hearing.
   (c) Any person who owns taxable property in the district and has rendered that property for taxation is entitled to:
       (1) appear at the hearing; and
       (2) be heard regarding any item in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1042.153.  FISCAL YEAR. The district's fiscal year is from October 1 to September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.154.  ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.
   (b) Not later than December 1 of each year, the board shall file a copy of the audit with:
      (1) the comptroller; and
      (2) the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.155.  DEPOSITORY. (a) The board by resolution shall designate a bank in Hood County as the district's depository. A designated bank serves for two years and until a successor is designated.
   (b) All district money shall be deposited in the depository and secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER E. BONDS**

Sec. 1042.201.  BONDS. The district may issue bonds to:
   (1) purchase, construct, acquire, repair, or renovate buildings or improvements; and
   (2) equip buildings for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1042.202. TAX TO PAY BONDS. The board may issue bonds under Section 1042.201 only if the board imposes an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.203. BOND ELECTION. (a) The board may issue bonds under Section 1042.201 only if the bonds are authorized by a majority of district voters voting in an election held for that purpose. The total face value of the bonds may not exceed the amount specified in the election order.

(b) The board may order a bond election at any time.

(c) The order calling an election must include:

(1) the time of the election;
(2) the location of the polling places;
(3) the form of the ballots;
(4) the presiding judge for each polling place;
(5) the purpose of the bond issuance;
(6) the amount of the bonds to be authorized;
(7) the maximum interest rate of the bonds; and
(8) the maximum maturity of the bonds.

(d) A substantial copy of the election order shall be published in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first notice must be published not later than the 15th day before the date of the election.

(e) A copy of the election results must be filed with the county clerk and become a public record.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.204. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1042.205. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.
(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1042.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.
(b) The tax may be used only to:
(1) pay the interest on and create a sinking fund for bonds issued under this chapter;
(2) provide for the operation and maintenance of the district and hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire sites for additions to the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1042.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector for Hood County shall collect taxes for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
CHAPTER 1043. HOPKINS COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1043.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Hopkins County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.002. AUTHORITY FOR OPERATION. The district operates under the authority of and has the powers and responsibilities provided by Section 11, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL SUBDIVISION. The district is:

(1) a public entity performing an essential public function; and
(2) a political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hopkins County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.
Sec. 1043.051. BOARD ELECTION; TERM. (a) The board consists of seven elected directors.
(b) Directors serve staggered three-year terms.
(c) An election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Sec. 1043.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in a newspaper of general circulation in the district in accordance with Section 4.003, Election Code.

Sec. 1043.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:
(1) a district resident;
(2) a qualified voter of the district; and
(3) more than 21 years of age at the time of election or appointment.
(b) A district employee may not serve as a director.

Sec. 1043.0535. GROUNDS FOR REMOVAL. (a) It is a ground for removal from the board that a director is absent from at least four regularly scheduled board meetings that the director is eligible to attend.
attend in any 12-month period without an excuse approved by a majority vote of the board.

(b) The validity of an action of the board is not affected by the fact that the action is taken when a ground for removal of a director exists.

(c) A director may be removed for a ground provided by this section using the procedures provided by Subchapter B, Chapter 87, Local Government Code, for removing a county official.

Added by Acts 2011, 82nd Leg., R.S., Ch. 743 (H.B. 1144), Sec. 1, eff. June 17, 2011.

Sec. 1043.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to less than the number that constitutes a majority for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1043.056. OFFICERS. The board shall elect a president, vice president, and secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.057. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the entire board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.058. VOTING REQUIREMENT. A concurrence of a majority of the directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.059. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may employ an attorney, bookkeeper, and architect.

(a-1) The board may delegate to the chief executive officer the authority to hire, terminate, and make all other personnel decisions relating to district employees.

(b) The board may spend district money to recruit physicians, nurses, or other trained medical personnel to the hospital staff.

(c) The board may agree to pay all or part of the tuition or other costs of a medical technician or nursing student who:

(1) is enrolled and in good standing in an accredited hospital, school, or college; and

(2) contractually agrees to serve as a district employee on terms prescribed by the board.

(d) Subject to Subsection (e), the board may provide financial inducements to a full-time medical intern or physician who contractually agrees to:
(1) reside and practice in Hopkins County; and
(2) provide care and treatment to its needy residents.

(e) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1011, Sec. 6, eff. June 19, 2009.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1011 (H.B. 4139), Sec. 2, eff. June 19, 2009.
Acts 2009, 81st Leg., R.S., Ch. 1011 (H.B. 4139), Sec. 6, eff. June 19, 2009.
Acts 2013, 83rd Leg., R.S., Ch. 795 (S.B. 1473), Sec. 1, eff. June 14, 2013.

Sec. 1043.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
Except as provided by Section 1043.054, all district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:
(1) maintained at the district office; and
(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.061. SEAL. The board may adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.062. CHIEF EXECUTIVE OFFICER. (a) The board shall appoint a qualified person as the chief executive officer of the district.
(b) The chief executive officer serves at the will of the board and is entitled to the compensation determined by the board.
(c) Subject to the limitations prescribed by the board, the
chief executive officer shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

(d) If the board delegates to the chief executive officer the authority to hire, terminate, and make all other personnel decisions relating to district employees, the chief executive officer has exclusive authority over personnel matters and the board may not participate in or make any decisions regarding the employment of district employees other than the chief executive officer.

Added by Acts 2013, 83rd Leg., R.S., Ch. 795 (S.B. 1473), Sec. 2, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1043.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Hopkins County or a municipality in Hopkins County may not impose a tax for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.103. MANAGEMENT AND CONTROL. The management and control of the district is vested in the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.104. HOSPITAL SYSTEM. The district may provide for the establishment of a hospital or hospital system to provide medical and hospital care to the district's needy residents.
Sec. 1043.105. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.

Sec. 1043.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

1. all accounting and control procedures; and

2. the method of purchasing necessary supplies, materials, and equipment.

Sec. 1043.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location, either inside or outside the district, of facilities required to maintain an adequate hospital system and ancillary health care system and the type of equipment necessary for hospital care and ancillary health care services, including:

1. domiciliary care and treatment of sick or injured patients;

2. geriatric services;

3. outpatient clinics;

4. rural health clinics;

5. convalescent home facilities;

6. physician's offices;

7. home health services;

8. durable medical equipment;
(9) long-term care;
(10) skilled nursing care;
(11) intermediate nursing care;
(12) hospice care;
(13) ambulatory surgery centers;
(14) urgent care facilities;
(15) operation of a mobile emergency medical service;
(16) extended care facilities;
(17) assisted living facilities; and
(18) any other facility or equipment the board considers necessary for the delivery of hospital, medical, and ancillary health care services.

(b) The board may:
(1) acquire by lease, purchase, or lease to purchase property, including facilities, supplies, and equipment, for the district for use in the hospital system and ancillary health care system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease, sell, or otherwise dispose of all or part of the district's property for the district, including facilities, supplies, or equipment, to a public or private entity, but only to the extent necessary to maintain an adequate hospital system for the residents of Hopkins County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.108. PROPERTY, FACILITIES, AND EQUIPMENT FOR HEALTH CARE PROVIDERS. (a) The board shall determine the type, number, and location of buildings required to establish and maintain office facilities for health care providers as necessary to provide adequate health care services.

(b) The board may:
(1) acquire property, including equipment, and construct facilities for the district for use by health care providers; and
(2) mortgage or pledge the property or facilities as security for the payment of the purchase or construction price.

(c) The board for the district may:
(1) lease the office facilities and equipment to health care providers; and
(2) sell or otherwise dispose of the property, including facilities and equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1011 (H.B. 4139), Sec. 3, eff. June 19, 2009.

Sec. 1043.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for any nonprofit purpose and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.
Sec. 1043.111. JOINT OWNERSHIP ARRANGEMENT. (a) The board may enter into a joint ownership arrangement for the district with one or more public or private entities for:

(1) the provision of management or operating services; and
(2) the ownership of all or part of real property, facilities, equipment, or supplies.

(b) Before the board enters into the arrangement, the board must determine that the arrangement is:

(1) in the district's best interest; and
(2) for a public purpose of the district.

Sec. 1043.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) The district without charge shall provide to a patient who resides in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay.

(c) If it is determined that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.
(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue an appropriate order.

(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.113. NONPROFIT CORPORATION. (a) The district may become a member of a nonprofit corporation or enter into an agreement with a nonprofit corporation to serve the purposes of this chapter. Under an agreement with a nonprofit corporation, the district may require that:

(1) the nonprofit corporation grant the district the power to appoint one or more members of the corporation's board of directors;
(2) the nonprofit corporation obtain the district's consent before changing the corporation's articles of incorporation or bylaws or before taking other action; and
(3) the district receive all or part of the net assets of the nonprofit corporation on the corporation's dissolution, merger, or consolidation.

(b) The district is not liable for any debt, obligation, or other liability of the nonprofit corporation.

(c) This section does not affect the district's authority to make payments to or otherwise provide money to the nonprofit corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.114. AUTHORITY TO SUED AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1043.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:
(1) proposed expenditures and disbursements;
(2) estimated receipts and collections; and
(3) the amount of taxes required to be imposed for the year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in Hopkins County not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to:

(1) appear at the time and place designated in the notice; and

(2) be heard regarding any item included in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1011 (H.B. 4139), Sec. 4, eff. June 19, 2009.

Sec. 1043.153. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.154. ANNUAL AUDIT. (a) The board annually shall
have an independent audit made of the district's books and records for the fiscal year.

(b) Not later than December 31 each year, the audit shall be filed at the district office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1011 (H.B. 4139), Sec. 5, eff. June 19, 2009.

Sec. 1043.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in Hopkins County as the district's depository or treasurer. A designated bank serves for three years and until a successor is designated.

(b) All income received by the district shall be deposited with the district depository.

(c) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 743 (H.B. 1144), Sec. 2, eff. June 17, 2011.

Sec. 1043.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) If the board declares that money is not available to meet authorized district obligations, the board may:

(1) by majority vote borrow money to satisfy the obligations in an amount not to exceed, at any one time in the aggregate, 10 percent of the annual district operational expenses for the prior fiscal year; and

(2) by unanimous vote borrow additional money if the obligations exceed the amount described by Subdivision (1).

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness; or

(2) a district tax to be imposed by the district in the
next 12-month period that is not pledged to pay the principal of or interest on district bonds.

(c) A loan for which taxes are pledged must mature and be paid not later than the first anniversary of the date the loan is made.

(d) The board may not spend money obtained from a loan under this section for any purpose other than:

(1) the purpose for which the board declared an emergency; and

(2) if district taxes are pledged to pay the loan, the purposes for which the pledged taxes were imposed.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1043.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements, including medical facilities; and

(2) equipping buildings or improvements for hospital or medical purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued by the district under Section 1043.201 as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed:

(1) 25 cents on each $100 valuation of all taxable property in the district; or

(2) the maximum tax rate approved under Section 1043.253, which may not exceed 75 cents on each $100 valuation of all taxable property in the district.
Sec. 1043.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.
(b) The board may order the election on its own motion.
(c) The order calling the election must specify:
   (1) the location of the polling places;
   (2) the presiding election officers;
   (3) the purpose of the bond issuance;
   (4) the amount of the bonds to be authorized;
   (5) the maximum interest rate of the bonds; and
   (6) the maximum maturity of the bonds.
(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Hopkins County once a week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Sec. 1043.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Sec. 1043.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.
(b) The board secretary shall countersign the bonds.
Sec. 1043.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements, including necessary equipment and furnishings, for hospital purposes and the hospital system;
(2) acquire sites to be used for hospital purposes; or
(3) acquire and operate a mobile emergency medical or air ambulance service to assist the district in carrying out its hospital purpose.

(b) The bonds may be secured by a mortgage or deed of trust lien on all or part of district property.

(c) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or
(2) exchanged wholly or partly for not less than a similar amount of outstanding bonds and the unpaid matured interest on the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.
Sec. 1043.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used for all hospital district purposes mentioned in this chapter and in Section 11, Article IX, Texas Constitution, including to:

(1) pay the indebtedness issued or assumed by the district; and

(2) maintain and operate the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds.

Sec. 1043.252. TAX RATE. The board may impose the tax at a rate not to exceed 25 cents on each $100 valuation of all taxable property in the district unless the tax rate is increased as provided by Section 1043.253.

Sec. 1043.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the district's maximum tax rate to a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) The maximum tax rate may not be increased unless the increase is approved by a majority of the district voters voting in an election held for that purpose.

(c) The board shall give notice in the manner provided for a bond election under Section 1043.203.
Sec. 1043.254. TAX ASSESSOR-COLLECTOR. (a) Except as provided by Subsection (b), the tax assessor-collector of Hopkins County shall assess and collect taxes imposed by the district.

(b) The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1043.301. DISSOLUTION; ELECTION. (a) The district may be dissolved and the district's assets and liabilities sold or transferred to another person only on approval of a majority of the district voters voting at an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and transferring the district's assets and liabilities.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by a number of district residents equal to at least 15 percent of the registered voters in the district, according to the most recent official list of registered voters.

(c-1) The election shall be called not later than the 60th day after the date the petition is presented to the board.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.017, eff. September 1, 2009.

Sec. 1043.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear at least 35 days before the date set for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Hopkins County Hospital District and the transfer of its assets and liabilities in the following manner: __________ (insert provisions for transfer)."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.304. ELECTION RESULTS. (a) If the board finds the election results favor the proposition to dissolve the district, the board shall:

(1) issue an order declaring the district dissolved; and

(2) proceed with the sale or transfer of the district's assets and liabilities according to the plan proposed on the ballot.

(b) If the board finds the election results do not favor the proposition to dissolve the district, another dissolution election may not be held before the first anniversary of the date of the election in which voters disapproved the proposition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1043.305. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a)
The district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of the district's assets and liabilities may not:

1. contravene a trust indenture or bond resolution relating to the district's outstanding bonds; or
2. diminish or impair the rights of the holders of any outstanding bonds, warrants, or other obligations of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(d) The district may not transfer or dispose of the district's assets except for due compensation unless:

1. the transfer is made to another governmental agency that serves the district; and
2. the transferred assets are to be used for the benefit of the district's residents.

(e) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1044. HUNT MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1044.001. DEFINITIONS. In this chapter:

1. "Board" means the board of directors of the district.
2. "Director" means a member of the board.
3. "District" means the Hunt Memorial Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution.
Sec. 1044.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Sec. 1044.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hunt County.

Sec. 1044.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Sec. 1044.006. PUBLIC PURPOSE; TAX EXEMPTION. All property owned by the district:

(1) shall be held for public purposes; and
(2) is exempt from taxation of every character.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1044.051. BOARD ELECTION; TERM. (a) The board consists of nine directors elected as follows:

(1) two directors elected from each county commissioners precinct; and
(2) one director elected from the district at large.

(b) The two candidates from each county commissioners precinct receiving the highest number of votes from that precinct are elected as directors from that precinct. The candidate from the district at large receiving the highest number of votes from the district at large is elected as the director from the district at large.

(c) Directors serve staggered four-year terms.

(d) The board shall provide for clerks as in county elections.

(e) The board shall enter an order declaring the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in accordance with Section 4.003, Election Code, in a newspaper of general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
       Acts 2015, 84th Leg., R.S., Ch. 377 (H.B. 797), Sec. 1, eff. June 10, 2015.

Sec. 1044.053. BALLOT APPLICATION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary an application in accordance with Chapter 144, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
       Acts 2015, 84th Leg., R.S., Ch. 377 (H.B. 797), Sec. 2, eff. June 10, 2015.

Sec. 1044.054. QUALIFICATIONS FOR CANDIDACY. (a) A person may not be a candidate for director from the district at large unless the person is a qualified voter of the district.
(b) A person may not be a candidate for director for a county commissioners precinct unless the person is a qualified voter of that precinct.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.056. BOARD VACANCY. If a vacancy occurs on the board, the majority of the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.057. OFFICERS. The board shall elect:

(1) a president and a secretary from among its members; and
(2) any other officers the board requires.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.058. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the
expenses by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.059. VOTING REQUIREMENT. A concurrence of a majority of the directors present is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.060. EMPLOYEES. The board may employ a general manager, attorneys, bookkeepers, architects, or any other employees or consultants considered necessary for the efficient financing, development, and operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1044.055, all district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and
(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.062. SEAL. The board may adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 1044.101.  DISTRICT RESPONSIBILITY.  The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.102.  RESTRICTION ON POLITICAL SUBDIVISION TAXATION.  Hunt County or a political subdivision with boundaries that overlap the district's boundaries may not impose a tax on property in the district for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.103.  MEDICAL FACILITIES; LEGISLATIVE INTENT.  It is the intent of the legislature that the people of Hunt County be provided with the best and most modern health care available. To achieve that intent, the district may locate a medical or related facility in the city of Commerce, in another area of Hunt County, or in another county if the board finds that providing a facility is feasible and in the best interest of district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.  
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 377 (H.B. 797), Sec. 3, eff. June 10, 2015.

Sec. 1044.104.  RULES.  (a)  The board may adopt rules governing the operation of the district, including district facilities.

(b)  On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1044.105. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and

(2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.106. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.107. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not
inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.108. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

1. the patient; and
2. the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the board determines that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:

1. resolve the dispute or doubt; and
2. issue an appropriate order.

(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1044.109. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1044.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:

(1) proposed expenditures and disbursements;

(2) estimated receipts and collections; and

(3) the amount of taxes required to be imposed for the year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in Hunt County not later than the 10th day before the date of the hearing.

(c) Any district taxpayer is entitled to:

(1) appear at the time and place designated in the notice; and

(2) be heard regarding any item included in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.153. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1044.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the fiscal year.

(b) Not later than December 31 each year, the audit shall be filed:
   (1) with the comptroller; and
   (2) at the district office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.155. DEPOSITORY. (a) The board by resolution shall designate a bank in Hunt County as the district's depository. A designated bank serves for five years until a successor is designated.

(b) All income received by the district shall be deposited with the district depository.

(c) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER E. BONDS**

Sec. 1044.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on
general obligation bonds issued by the district under Section 1044.201 as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting in an election held for that purpose.

(b) The board may order the election on its own motion.

(c) The order calling the election must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding election officers;
(4) the purpose of the bond issuance;
(5) the amount of the bonds to be authorized;
(6) the maximum interest rate of the bonds; and
(7) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district once each week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1044.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for hospital purposes; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system, including district facilities.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by county hospital authorities.

Added by Acts 2015, 84th Leg., R.S., Ch. 377 (H.B. 797), Sec. 4, eff. June 10, 2015.

Sec. 1044.207. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2015, 84th Leg., R.S., Ch. 377 (H.B. 797), Sec. 4, eff. June 10, 2015.
Sec. 1044.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1044.202 and revenue and other sources authorized by Section 1044.206.

Added by Acts 2015, 84th Leg., R.S., Ch. 377 (H.B. 797), Sec. 4, eff. June 10, 2015.

Sec. 1044.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
(3) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
(4) costs related to the bond issuance;
(5) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and
(6) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2015, 84th Leg., R.S., Ch. 377 (H.B. 797), Sec. 4, eff. June 10, 2015.

**SUBCHAPTER F. TAXES**

Sec. 1044.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes;
(2) provide for the operation and maintenance of the
district and hospital system;
(3) make improvements and additions to the hospital system;
and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1044.253. TAX ASSESSOR-COLLECTOR. The board may:
(1) appoint a tax assessor-collector for the district; or
(2) contract with the tax assessor-collector of Hunt County, the City of Greenville, or the Greenville Independent School District for the assessment or collection, or the assessment and collection, of taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1045. HUTCHINSON COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 1045.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Hutchinson County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1045.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter and other laws relating to hospital districts organized under Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hutchinson County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1045.051. BOARD ELECTION AND APPOINTMENT; TERM. (a) The board is governed by the following seven directors:

(1) one director elected from each county commissioner precinct; and

(2) three directors appointed by the Hutchinson County Commissioners Court.

(b) Elected directors serve staggered three-year terms, with as near as possible to one-third of the elected members' terms expiring each year. Appointed directors also serve staggered three-year terms, with one director's term expiring each year.

(c) A directors' election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

(d) Within 10 days of the date directors are elected, the commissioners court annually shall appoint the appropriate number of successor appointed directors.

(e) The commissioners court may not appoint a person to serve more than two successive terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.052. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for an elected position or to serve as an elected or appointed director, a person must be:

(1) a district resident; and

(2) a qualified voter.

(b) A person who is elected from a commissioner precinct or who is appointed to fill a vacancy for a commissioner precinct must be a resident of that commissioner precinct.

(c) A district employee may not serve as a director.
Sec. 1045.054. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Sec. 1045.055. OFFICERS. (a) The board shall elect a president and a vice president from among its members.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office for the unexpired term.

Sec. 1045.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.

Sec. 1045.057. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.
Sec. 1045.058. ADMINISTRATORS. (a) The board may appoint qualified persons to serve as:

(1) district administrator; and

(2) ancillary health care facilities administrator.

(b) The administrators serve at the will of the board and are entitled to the compensation determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in the amount set by the board of not less than $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the district administrator's bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. (a) The district administrator shall:

(1) supervise the work and activities of the district facilities and the staff, employees, contractors, and agents of the district; and

(2) direct the general affairs of the district subject to the limitations prescribed by the board.

(b) The district administrator is responsible for the overall management of all district facilities, including ancillary health care facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.060. ATTORNEY; ASSISTANT ADMINISTRATORS. (a) The board may appoint qualified persons as:

(1) the attorney for the district; and

(2) assistant administrators.

(b) The attorney for the district and the assistant
administrators serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as considered necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to hire district employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve on the district's medical staff or to be employed by the district, including:

1. advertising and marketing;
2. paying travel, recruiting, and relocation expenses;
3. providing a loan or scholarship to a physician or other person who:
   (A) is currently enrolled in health care education courses at an institution of higher education; and
   (B) contractually agrees to become a district employee or medical staff member; and
4. providing on a rent-free basis or subsidizing the cost of office space or other facilities for a health care professional, including a physician.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1045.063. HEALTH CARE EDUCATIONAL PROGRAMS. The board may spend district money, enter into agreements, and take other necessary action to conduct, participate in, or otherwise assist in providing health care educational programs for current or prospective staff members or employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.064. LIABILITY INSURANCE; INDEMNIFICATION. (a) For an officer, director, board appointee, member of the medical staff, or district employee, the board may:

(1) purchase and maintain liability insurance to protect the person from liability that arises from performing a duty in that capacity; and

(2) agree to defend or indemnify the person with regard to a claim, cost, expense, or liability resulting from duties performed in that capacity.

(b) The board may establish a self-insurance program to fund an indemnity obligation under Subsection (a)(2).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.065. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or
(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1045.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:
(1) operating hospital and ancillary health care facilities; and
(2) providing medical, hospital, and ancillary health care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION AND DEBT. Hutchinson County or a municipality in Hutchinson County may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system, the ancillary health care system, and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital, ancillary health care facilities, ancillary health care system, and hospital system; and
(2) the duties, functions, and responsibilities of district staff, employees, contractors, or agents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.
Sec. 1045.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location, either inside or outside the district, of facilities required to maintain an adequate hospital system and ancillary health care system and the type of equipment necessary for hospital care and ancillary health care services, including:

(1) domiciliary care and treatment of sick or injured patients;
(2) geriatric services;
(3) outpatient clinics;
(4) rural health clinics;
(5) convalescent home facilities;
(6) physician's offices;
(7) home health services;
(8) durable medical equipment;
(9) long-term care;
(10) skilled nursing care;
(11) intermediate nursing care;
(12) hospice care;
(13) ambulatory surgery centers;
(14) urgent care facilities;
(15) operation of a mobile emergency medical service; and
(16) any other facility or equipment the board considers necessary for the delivery of hospital, medical, and ancillary health care services.

(b) The board may:
(1) acquire by lease, purchase, or lease to purchase property, including facilities, supplies, and equipment, for the
district for use in the hospital system and ancillary health care system; and

(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease or sell all or part of the hospital facilities or ancillary health care facilities for the district.

(d) The board may lease, sell, or otherwise dispose of all or part of the district's property for the district, including facilities, supplies, or equipment, to a public or private entity.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or
telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any written direction, limitation, or provision prescribed in writing by the donor that is consistent with the authority and proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.111. GENERAL CONTRACT POWER. The board may contract for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.112. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code, or other applicable law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.113. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract for the district...
with one or more public or private entities relating to a hospital or ancillary health care facility or service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CERTAIN SERVICES. The board may contract with a political subdivision of this state, a state, the federal government, an agency or political subdivision of those public entities, or a charitable or other private entity for the district to:

(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district inhabitants or of persons for whom the public or private entity has an obligation to provide care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.115. JOINT OWNERSHIP ARRANGEMENT. (a) The board may enter into a joint ownership arrangement for the district with one or more public or private entities for:

(1) the provision of management or operating services; and
(2) the ownership of all or part of real property, facilities, equipment, or supplies.

(b) Before the board enters into the arrangement, the board must determine that the arrangement is:

(1) in the district's best interest; and
(2) for a public purpose of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.116. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient is admitted to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) a relative of the patient who is legally responsible for the patient's support.

(b) The district without charge shall provide to a patient who resides in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative who was legally responsible for the patient's support in the manner provided by law for collection of expenses of the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:

1. call witnesses;
2. hear and resolve the question; and
3. issue a final order.

(f) The final order of the board may be appealed to a district court in Hutchinson County. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.117. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Hutchinson County or the police chief of a municipality in Hutchinson County to reimburse
the district for the district's care and treatment of a person who is confined in a jail facility of Hutchinson County or the municipality and is not a resident of the district.

(c) The board may contract with this or another state, the federal government, or an agency or political subdivision of this or another state or of the federal government to reimburse the district for the care and treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.118. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1045.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand in each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The
board shall hold a public hearing on the proposed annual budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board considers proper to provide adequate care and treatment at a district hospital or ancillary health care facility.

(e) The budget is effective only after adoption by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.155. FISCAL YEAR. The district operates on the fiscal year established by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial records, accounts, and
transactions.

 Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

 Sec. 1045.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the district's principal office.

 Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

 Sec. 1045.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator or other district agent responsible for the district's financial affairs shall prepare for the board:

 (1) a sworn statement of the amount of district money; and
 (2) an account of the disbursements of that money.

 Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

 Sec. 1045.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

 (b) District money, other than money invested as provided by Section 1045.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

 (c) The district may not deposit money with a bank or purchase a certificate of deposit from a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or provides other collateral eligible to secure a public deposit in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.
Sec. 1045.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1045.112, 1045.202, 1045.205, and 1045.206, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves in:
   (1) funds or securities specified by Chapter 2256, Government Code; or
   (2) any other investment vehicle or fund if the board determines that investing the reserves in that vehicle or fund:
      (A) is in the district's best interest; and
      (B) does not violate the Texas Constitution.

Sec. 1045.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money for district operating expenses in an amount not to exceed the amount of tax or other revenue the district expects to receive during the fiscal year in which the money is borrowed.

(b) To repay the debt, the board may pledge all or part of the tax or other revenue received during the fiscal year in which the board borrows money under this section.

SUBCHAPTER E. BONDS

Sec. 1045.201. OBLIGATIONS AND CREDIT AGREEMENTS. The district may issue, sell, and deliver obligations and execute credit agreements as provided by Chapters 1201 and 1371, Government Code.
Sec. 1045.202. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, equip, or renovate buildings, facilities, equipment, or improvements for hospital purposes, including facilities and improvements incidental and beneficial to operating and maintaining hospitals and ancillary facilities that provide medical and ancillary health care services and treatment; or

(2) acquire and operate a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.203. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1045.202, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.204. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election.

(c) The order calling the election must specify:

(1) the nature and date of the election;
(2) the hours during which the polls will be open;
(3) the location of the polling places;
(4) the amount of the bonds to be authorized; and
the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.205. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital and ancillary health care purposes;

(2) acquire sites to be used for hospital and ancillary health care purposes; or

(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital and ancillary health care purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority, or in accordance with other laws relating to the issuance of revenue bonds by a hospital district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.206. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or

(2) exchanged wholly or partly for not less than a similar
principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.207. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1045.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.
(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the district's maximum ad valorem tax rate to a rate of not more than 75 cents on each $100 valuation of the taxable property in the district. The board shall order an election if the board receives a petition requesting an election that is signed by at least 50 qualified voters of the district.

(b) The ballot for the election shall be printed to permit voting for or against the proposition: "The imposition of annual taxes by the district for hospital purposes at a rate not to exceed _____ (insert amount not to exceed 75 cents) cents on the $100 valuation of all taxable property in the district."

(c) If the board finds that the election results favor the proposition, the board may impose taxes as authorized by the proposition. If the board finds that the election results do not favor the proposition, another election on the question of raising the district's maximum tax rate may not be held before the first anniversary of the date of the most recent election at which voters disapproved the proposition.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1045.254. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

CHAPTER 1046. JACKSON COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1046.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Jackson County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.002. AUTHORITY FOR OPERATION. The district operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Jackson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.
Sec. 1046.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Sec. 1046.007. ELECTION DATE. Section 41.001(a), Election Code, does not apply to an election held under this chapter.

Sec. 1046.051. BOARD ELECTION; TERM. (a) The board consists of nine directors elected from the district by position as follows:
   (1) two directors from each commissioners precinct; and
   (2) one director from the district at large.
   (b) To be elected, a candidate must receive a majority of the votes cast in the election for that position.
   (c) The board shall declare the results of a district election.
   (d) Unless different terms are established under Section 1046.054, directors serve staggered two-year terms as follows:
      (1) directors elected to even-numbered positions are elected in even-numbered years; and
      (2) directors elected to odd-numbered positions and the director elected at large are elected in odd-numbered years.

Sec. 1046.052. NOTICE OF ELECTION. (a) Except as provided by Subsection (b), at least 30 days before the date of an election of directors, the board shall publish notice of the election one time in
a newspaper or newspapers that individually or collectively have
general circulation in the district.

(b) At least seven days before the date of a runoff election of
directors, the board shall publish notice of the election one time in
a newspaper or newspapers that individually or collectively have
general circulation in the area of the runoff election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1046.053. FORM OF BALLOT AT RUNOFF ELECTION. Of the names
printed on the ballot at a runoff election, the name of the candidate
who received the higher number of votes at the general election of
directors must be printed first on the ballot.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1046.054. MODIFICATION OF TERM. (a) Notwithstanding
Section 1046.051, the board, on its own motion, may order that
directors serve staggered three-year or four-year terms. After an
initial change under this section from staggered two-year terms, the
board may not change the terms again.

(b) If the board orders four-year terms, the directors are to
be elected in accordance with Section 285.081, Health and Safety
Code.

(c) If the board orders staggered three-year terms, directors
are to be elected as follows:

(1) if the first election that occurs at least 120 days
after the date the order is entered is an election in an even-
numbered year:

(A) the four directors elected at that election shall
draw lots to determine the three directors that serve three-year
terms and the director that serves a two-year term;

(B) the at-large director elected at the first odd-
numbered year election after the order is entered serves a three-year
term; and

(C) the four other directors elected at the first odd-
numbered year election after the order is entered shall draw lots to
determine which two directors serve three-year terms and which two directors serve one-year terms; and

(2) if the first election that occurs at least 120 days after the date the order is entered is an election in an odd-numbered year:

(A) the at-large director elected at that election serves a three-year term;

(B) the four other directors elected at that election shall draw lots to determine the two directors that serve three-year terms and the two directors that serve two-year terms; and

(C) the four directors elected at the first even-numbered year election after the order is entered shall draw lots to determine which three directors serve three-year terms and which director serves a one-year term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.055. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) a district resident; and

(2) a qualified voter.

(b) A director elected or appointed to represent a commissioners precinct must be a resident of that commissioners precinct. Failure of the director to maintain residence in the commissioners precinct is a ground for removal from office in the manner provided by law for removal of county officers.

(c) A person is not eligible to serve as a director if the person is:

(1) an administrator for the district or a district hospital;

(2) the attorney for the district; or

(3) a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.056. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) As soon as practicable after a director is elected or
appointed, the director shall execute a bond for $5,000 that is:
(1) approved by the board;
(2) payable to the district; and
(3) conditioned on the faithful performance of the director's duties.
(b) The district may pay for a director's bond with district money.
(c) Each director's bond and constitutional oath or affirmation of office shall be filed with the board and retained in the board's records.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.057. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.058. OFFICERS. (a) The board shall elect a president, vice president, and secretary from among its members.
(b) Each officer of the board serves for a term of one year.
(c) The board may require an officer to execute a bond that is payable to the district and conditioned on the faithful performance of the officer's duties. The board may pay for the bond with district money.
(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.059. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for travel or other expenses incurred on the district's behalf if:
(1) the director presents a verified statement; and
the board approves the expenses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.060. VOTING REQUIREMENT. Except as provided by Sections 1046.119 and 1046.122, a concurrence of five directors is required in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.061. ADMINISTRATOR FOR EACH DISTRICT HOSPITAL. (a) The board may appoint a qualified administrator for each district hospital.

(b) An administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) On assuming the duties of an administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.

(d) The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.062. APPOINTMENT AND REMOVAL OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The board shall employ or contract with persons the board considers necessary or advisable to conduct district affairs, including a hospital administrator for the district or for each facility and nurses, medical technicians, engineers, architects, attorneys, financial advisors, accountants, fiscal agents, bookkeepers, auditors, and secretaries.
(c) The board shall determine the powers, duties, term of employment, and compensation of all employees and consultants by contract or by resolution or order of the board. The board may terminate the employment of any district employee.

(d) The board may delegate to an administrator the authority to hire and discharge district or hospital employees, including doctors, nurses, and technicians, or to appoint and remove staff doctors under bylaws and rules.

(e) The board may require any employee to execute a bond payable to the district and conditioned on the faithful performance of the employee's duties. The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.063. ATTORNEY; ASSISTANT HOSPITAL ADMINISTRATOR. (a) The board may appoint:
(1) an attorney for the district; and
(2) a qualified assistant administrator for each district hospital.

(b) The attorney for the district and an assistant hospital administrator serve at the will of the board and shall receive the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.064. GENERAL DUTIES OF ADMINISTRATOR. (a) The board may delegate to the administrator for the district or the administrators for each district hospital the power to manage and operate all or any part of the hospital system.

(b) Subject to the limitations prescribed by the board, the administrator for each district hospital shall:
(1) supervise the work and activities of the hospital; and
(2) direct the affairs of the hospital.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1046.065.  RETIREMENT BENEFITS.  The district may provide retirement benefits for district employees by:

(1) creating and administering a public retirement system for the district;
(2) participating in the Texas County and District Retirement System; or
(3) purchasing annuity contracts from an insurer or annuity company authorized to engage in business in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.066.  SEAL.  The board shall adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C.  POWERS AND DUTIES

Sec. 1046.101.  DISTRICT RESPONSIBILITY.  The district has full responsibility for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.102.  BOARD RESPONSIBILITY.  The board shall provide for the administration, maintenance, and operation of a hospital transferred to the district to furnish adequate medical and hospital care in the district and to ensure that the hospital is provided with sufficient money, personnel, and equipment for district residents to have access to quality and competent health facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1046.103. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision other than the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.104. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall:

(1) manage and control all district affairs; and
(2) manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.105. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping for hospital and medical care purposes; and
(3) administering the system for hospital purposes.

(b) The hospital system may include:

(1) domiciliary care and treatment of the sick, injured, or geriatric;
(2) outpatient clinics;
(3) dispensaries;
(4) convalescent home facilities;
(5) necessary nurses;
(6) domiciliaries and training centers;
(7) blood banks;
(8) community health centers;
(9) research centers or laboratories; and
(10) any other facilities the board considers necessary for hospital and medical care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1046.106. RULES. (a) The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

(b) The board shall adopt reasonable and necessary rules and bylaws to govern:
   (1) the board's proceedings and activities; and
   (2) the hospitals or the hospital or medical system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.107. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
   (1) the method and manner of making purchases and expenditures by and for the district; and
   (2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may purchase all necessary materials, supplies, equipment, and vehicles.

(c) The district may:
   (1) acquire equipment for use in the district's hospital system; and
   (2) mortgage or pledge the property as security for the payment of the purchase price.

(d) Except as provided by Section 1046.119, the district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1046.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

1. Pay in advance or provide a bond or other security for costs in the trial court;
2. Provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
3. Provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, electric transmission, telegraph or telephone line, conduit, pole, or facility, or pipeline, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for the purposes and under the directions, limitations, or other provisions prescribed
in writing by the donor that are consistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.112. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than $10,000 may be made only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.113. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district hospital or the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.114. CONTRACT IN NAME OF DISTRICT. The district shall contract in the name of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.115. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries to reimburse the district for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for reimbursement for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1046.116. PROVISION OF SERVICES OUTSIDE DISTRICT. The district may provide health care services outside the district's boundaries provided that the services serve the purposes of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.117. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services as to facilities for the medical care, hospital, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.118. LEASES. (a) The board may lease all or part of the facilities comprising the hospitals or hospital system on terms the board considers to be in the district's best interest.

(b) When leasing a facility, the board may delegate as it considers appropriate the board's power to manage, control, and administer the leased facilities to furnish hospital and medical care.

(c) For each leased facility, the lease must require the lessee to charge rates for services rendered or goods provided at the leased premises that, together with other sources of the lessee's revenue, produce an amount sufficient to enable the lessee to pay the expenses of operating and maintaining the leased premises required of the lessee under the lease. The lease must also require the lessee to pay lease rentals to the district that will be sufficient when taken with any other sources of the district's estimated revenue that are pledged for the same purposes to:

(1) pay the interest on any revenue or special obligation bonds that are payable wholly or partly from the lease rentals;

(2) create and maintain a sinking fund to pay the principal of and premium, if any, on the bonds as they become due;
(3) create and maintain a bond reserve fund and any other fund provided for in the bond order, resolution, or trust indenture authorizing the issuance of the bonds; and
(4) pay all other charges, fees, costs, and expenses the lessee is required to pay under the resolution or indenture.
(d) The lease, management agreement, bond resolution, or trust indenture may prescribe systems, methods, routines, procedures, and policies for the operation of the facilities owned by the district.
(e) A lease of a district hospital must require the lessee to operate the hospital in a manner that complies with the requirements of this chapter that would apply to the board if the board were operating the hospital.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.119. AUTHORITY TO SELL OR CLOSE CERTAIN DISTRICT HOSPITALS. (a) The board may not sell or close a hospital transferred to the district by the Edna Hospital District unless the sale or closing is approved by a two-thirds majority vote of the district voters voting at an election held for that purpose. A concurrence of seven directors is required to call the election.
(b) The board may not call another election before the first anniversary of the date of a previous election held under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.120. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the administrator for the hospital to which the patient is admitted may have an inquiry made into the circumstances of:
(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.
(b) If the administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be
paid becomes a charge against the district.

(c) If the administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue a final order.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.121. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.122. RECOMMENDATION OF LEGISLATION; NOTICE. (a) The board may not recommend to the legislature legislation to amend this chapter unless the recommendation is approved by a concurrence of seven directors.

(b) The board shall give notice of the date, hour, place, and subject of a meeting at which the recommendation of legislation will be discussed in accordance with the open meetings law, Chapter 551, Government Code, except that the board shall furnish to the county clerk the notice required by Section 551.054, Government Code, at least 30 days before the date of the meeting.

(c) The notice must be published in a newspaper of general
circulation in the district once a week for four weeks. The first
publication must occur at least 30 days before the date of the
meeting.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1046.151. BUDGET. (a) Each administrator shall prepare
an annual budget for each hospital for which that person is the
administrator. The board shall combine these budgets into a single
budget for the district.

(b) The proposed budget for the district must contain a
complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources
during the previous year;
(4) the money available to the district from all sources
during the ensuing year;
(5) the balances expected at the end of the year in which
the budget is being prepared;
(6) the estimated amount of revenue and balances available
to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1046.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The
board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published in a newspaper of
general circulation in the district one time at least 10 days before
the date of the hearing.

(c) Any district resident or taxpayer is entitled to be present
and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a
budget by acting on the budget proposed by the administrators. The
board may make any changes in the proposed budget that the board
judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS.
The annual audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the administrators shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.159. DEPOSITORY. (a) After advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code, the board shall choose by competitive bidding one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1046.160(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1046.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1046.108(c), Section 1046.161, and Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The district may incur a debt or borrow money on the credit of the district or secured by any source of revenue, including district taxes to be imposed in the next 12-month period, that is not pledged to pay the principal of or interest on district bonds.

(b) The district may incur a debt or borrow money in any amount at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made and on other terms the district considers advisable.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1046.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligations bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
the time general obligation bonds are issued by the district under Section 1046.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The board, in ordering a bond election, shall provide for clerks as in county elections and must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(d) The board shall declare the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the
Sec. 1046.206.  REVENUE BONDS.  (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.207.  REFUNDING BONDS.  (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.208.  BONDS EXEMPT FROM TAXATION. The following are
exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER F. TAXES**

Sec. 1046.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The board may impose the tax to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district, including improvements to district facilities.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1046.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1046.254.

(b) The tax assessor-collector of Jackson County shall assess and collect taxes imposed by the district.
Sec. 1046.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:
(1) reside in the district; and
(2) own real property subject to district taxation.

(c) The board shall set for the district tax assessor-collector:
(1) the term of employment; and
(2) compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1047. JASPER HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1047.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Jasper Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.002. AUTHORITY FOR CREATION; JUDICIAL NOTICE. (a) The district is created under Section 9, Article IX, Texas Constitution, and this chapter.

(b) A court shall take judicial notice of the district's establishment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1047.003. NATURE OF DISTRICT. The district is a governmental agency.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners Precincts 1 and 2 of Jasper County, as those boundaries existed on April 12, 1963.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1047.051. BOARD ELECTION; TERM. (a) The board consists of nine directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code, directors serve two-year terms, with:

(1) four directors elected in even-numbered years; and
(2) five directors elected in odd-numbered years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.052. QUALIFICATIONS FOR OFFICE. A person may not be elected or appointed as a director unless the person:

(1) is a district resident;
(2) owns land in the district subject to taxation; and
(3) is at least 18 years of age at the time of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1047.053. OATH; BOND; RECORD OF BOND AND OATH. (a) Before undertaking any official duties, each director must take an oath to faithfully discharge the duties of office without favor or partiality.

(b) Each director shall give a good and sufficient bond for $1,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the director's duties.

(c) Each director's oath shall be filed with the district secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.054. BOARD VACANCY; SPECIAL ELECTION. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than six, the remaining directors shall call a special election to fill the vacancies. If the directors do not call the election within 15 days after the vacancies occur, the county judge of Jasper County, on petition of a county voter or creditor, shall:

(1) order a special election;

(2) set the election date;

(3) order a county sheriff to publish notice of the election; and

(4) name the officers to hold the election.

(c) For an election ordered by the county judge:

(1) the election returns shall be made to and filed with the county clerk's office; and

(2) the county clerk shall declare the results.

(d) Officers elected under this section shall furnish bond and qualify in the same manner as a director elected in a general election under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1047.055. OFFICERS. (a) The board shall elect from among its members a president and a secretary.

(b) Each officer of the board serves until the next directors' election.

(c) The board shall fill a vacancy in a board office for the unexpired term by appointment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.056. REMOVAL FROM OFFICE. A director may be removed from office in the same manner and for the same causes as county officers under state law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.057. COMPENSATION; EXPENSES. A director serves without compensation but shall be reimbursed for actual expenses incurred in the performance of the director's duties under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.058. MEETINGS. (a) The board shall:

(1) meet at least once a month; and

(2) hold special meetings as the board considers necessary.

(b) A taxpayer, resident, or interested party:

(1) may attend a board meeting but may not participate in a meeting without the consent of the board; and

(2) may present any matter to the board in an orderly manner.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1047.059. VOTING REQUIREMENT. A concurrence of five directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.060. MAINTENANCE OF RECORDS. (a) The board shall:
(1) keep an account of all board meetings and proceedings; and
(2) maintain in a safe place all district records and accounts, including all contracts, notices, duplicate vouchers, and duplicate receipts.

(b) The information described by Subsection (a) shall be delivered to the board's successors in office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.061. EMPLOYEES. The board:
(1) may employ a general manager or administrator, an attorney, a bookkeeper, and an architect; and
(2) shall employ all other employees necessary for the proper handling and operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1047.101. GENERAL POWERS. (a) The board has full management and control of all district business. The board may negotiate and contract with any person to purchase or lease land, to construct and equip a hospital system, and to operate and maintain the hospital.

(b) The district has the powers of government and the authority to exercise the rights, privileges, and functions concerning the purposes for which the district was created that are conferred by this chapter and any other law in this state from which the district is entitled to benefit.
Sec. 1047.102. HOSPITAL SYSTEM. The district may contract for the purchase of land, for the hospital system, and for the construction of the hospital.

Sec. 1047.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Sec. 1047.104. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.
Sec. 1047.105. CONTRACT IN NAME OF DISTRICT. The district shall contract in the name of the district.

Sec. 1047.106. CONSTRUCTION CONTRACTS. (a) A contract for making and constructing improvements authorized by this chapter and any necessary related work for which the cost exceeds $10,000 shall be awarded:

(1) to the lowest responsible bidder who furnishes satisfactory evidence that the bidder possesses the equipment and facilities essential to properly perform the contract; and

(2) after giving notice by:

(A) advertising once a week for four weeks in one or more newspapers of general circulation in this state; and

(B) posting a notice for at least 10 days at the courthouse door.

(b) The contract must be in writing and be signed by the contractors and the directors. A copy of the signed contract shall be filed with the depository and is subject to inspection by all interested parties.

(c) The contract shall be fulfilled in accordance with the specifications and under the supervision of the board and district agents.

Sec. 1047.107. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued in the district's own name in any court of this state.
SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS
Sec. 1047.151.  BOOK OF ACCOUNTS; ANNUAL AUDIT.  (a) The board shall have kept a complete book of accounts for the district.
(b) On June 1 of each year, the board shall select a competent auditor to examine the accounts, books, and reports of the depository, the tax assessor-collector, and the board.
(c) The auditor shall make a full report and file a copy of the report with the depository, the county clerk, and the board.
(d) The report must state the purposes for which money from each fund was spent.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.152.  DEPOSITORY.  The board shall select a depository for the district in the manner provided by law for the selection of a county depository. The depository serves for two years until a successor is selected and qualified.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.153.  PURCHASING AUTHORITY.  The board may purchase all necessary supplies, materials, and office equipment to meet the needs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.154.  PAYMENT VOUCHERS.  A voucher for the payment of district money shall be signed by at least two directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER E.  BONDS

Sec. 1047.201. BONDS. The district may issue bonds to:
(1) purchase a site for, construct, and initially equip a hospital system; and
(2) purchase, lease, acquire, equip, maintain, and operate a hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.202. CANCELLATION OF BOND. (a) On the payment of interest or for the redemption of district bonds, the depository shall receive and cancel any interest coupon paid or bond discharged.

(b) When the interest coupon or bond is delivered to the board:
(1) the account of the depository shall be credited with the amount of the coupon or bond; and
(2) the coupon or bond shall be canceled and destroyed.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.203. RECORD OF BOND ISSUANCE. (a) When bonds are issued, the board shall procure and deliver to the county treasurer a well-bound book containing a list of the following information for all bonds:
(1) manner of payment;
(2) amount of the bonds;
(3) rate of interest;
(4) date of issuance;
(5) due date;
(6) location where payable;
(7) amount received for the bonds; and
(8) the tax imposed to pay the interest on and redeem the bonds.

(b) The book described by Subsection (a) shall be open to inspection at all times to taxpayers or bondholders.

(c) On payment of a bond, the county treasurer shall:
(1) enter the payment in the book described by Subsection (a); and
receive for services the same fees allowed by law for recording the payment as a county clerk recording deeds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.204. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding bonds issued by the district with the consent of the holders of the bonds to be refunded.  
(b) Before issuing refunding bonds, any sum to the credit of any sinking fund account on hand shall be:
(1) deducted in determining the amount of refunding bonds to be issued; and
(2) applied to the payment of the outstanding bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.205. REGISTRATION OF REFUNDING BONDS. (a) After registration of refunding bonds, the comptroller shall:
(1) cancel the bonds to be refunded and the interest coupons for those bonds; and
(2) deliver the refunding bonds to the proper party.
(b) Bonds to be refunded may be presented for cancellation in installments with a corresponding amount of refunding bonds registered and delivered as provided by this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.206. TAX TO PAY REFUNDING BONDS. (a) Before refunding bonds authorized by Section 1047.204 are delivered, the board shall impose a sufficient tax to pay the principal of and interest on the bonds.
(b) The refunding of any bonds does not affect any taxes already due.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1047.207. BOND PROCEEDS. The directors shall promptly pay over the proceeds from the sale of district bonds to the depository to the credit of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.208. BOND ELECTION EXPENSES. All expenses incident to holding a bond election shall be paid out of any district funds except the interest and sinking funds for bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1047.251. IMPOSITION OF AD VALOREM TAX. (a) The district may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to:
(1) pay the principal of and interest on bonds authorized by Section 1047.201; and
(2) maintain and operate a hospital or hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.252. TAX RATE. The district may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1047.253. TAX ASSESSOR-COLLECTOR. The tax assessor—
collector of Jasper County shall assess and collect taxes for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER G. MERGER**

Sec. 1047.301. MERGER. (a) If a countywide hospital district is created for Jasper County or if a district is created for the territory in Jasper County that is not included in the Jasper Hospital District, the board may choose to merge with the newly created hospital district if:

(1) the newly created hospital district assumes all outstanding indebtedness of the Jasper Hospital District; and

(2) the merger of districts is approved by the majority of the voters voting at an election held by the district.

(b) Notice of an election under this section must be given in the same manner as provided for an election to elect directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**CHAPTER 1048. KARNES COUNTY HOSPITAL DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 1048.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Karnes County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.002. AUTHORITY FOR CREATION. The district is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1048.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Karnes County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION
Sec. 1048.051. BOARD ELECTION; TERM. (a) The board is governed by seven directors elected at large by place.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:
   (1) directors serve two-year terms;
   (2) an election shall be held each year on the May uniform election date under Section 41.001, Election Code; and
   (3) the terms of the directors elected to places one through four expire in odd-numbered years and the terms of the directors elected to places five through seven expire in even-numbered years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in a newspaper or newspapers that individually or collectively have general circulation in the district in accordance with Section 4.003, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:
   (1) a qualified voter; and
   (2) a resident of the place for which the person is a candidate.

(b) To be eligible to hold office on the board, a person must be a resident of the place for which the person is elected, as designated by the following political subdivisions:
   (1) for place one, Falls City Common School District;
   (2) for place two, Runge Independent School District and Nordheim Independent School District;
   (3) for places three and four, Karnes City Independent School District and Nixon Independent School District;
(c) A person is not eligible to serve as a director if the person is:
(1) the district administrator;
(2) a district employee; or
(3) a hospital medical staff member.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.054. BOND. (a) Each director shall execute a good and sufficient bond for $5,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.
(b) The district shall pay for a director's bond.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.056. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1048.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.061. EMPLOYEES; APPOINTMENT AND DISMISSAL OF STAFF. (a) The board may appoint to or dismiss from the staff the physicians, dentists, and podiatrists the board determines necessary for the efficient operation of the district and may make temporary
appointments as necessary.

(b) The district may employ the fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to employ district employees, including technicians and nurses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.062. SENIORITY; RETIREMENT BENEFITS. The board may:

(1) adopt rules related to the seniority of district employees, including rules for a retirement plan based on seniority; and

(2) give effect to previous years of service for district employees continuously employed in the operation or management of hospital facilities acquired or constructed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1048.101. DISTRICT RESPONSIBILITY. (a) The district has full responsibility for providing hospital care for the district's indigent residents.

(b) The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide hospital service or medical care in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1048.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.104. HOSPITAL SYSTEM. (a) The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

(b) The hospital system may include:

(1) a hospital, clinic, health facility, extended care facility, outpatient facility, rehabilitation or recreation facility, pharmacy, medical laboratory, dental laboratory, physicians' office building, laundry facility, administrative facility, or other building related to a health facility or system;

(2) a single or multiunit housing facility for medical staff, nurses, interns, other employees of a health facility or system, patients of a health facility, or relatives of patients admitted for treatment or care in a health facility;

(3) a support facility related to a hospital project, including an office building, a parking lot or other parking structure, or a maintenance, safety, or utility facility, and any equipment related to the support facility; and

(4) any other facilities the board determines necessary for hospital or medical care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1048.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.  
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.108. EMINENT DOMAIN.  (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district
is not required to deposit in the trial court money or a bond as provided by Section 21.021, Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.110. CONSTRUCTION AND PURCHASE CONTRACTS. A construction or purchase contract that involves an expenditure of more than the amount provided by Section 271.024, Local Government Code, must comply with the competitive bidding requirements provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1048.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITAL TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the hospitalization of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the hospital treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services as to the hospital or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.114. CARE AND TREATMENT FOR INDIGENT. The district shall provide health care and treatment to an individual determined to be indigent in accordance with policies and procedures adopted by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.115. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use money contributed by the district only to provide health care or other services the district is authorized to provide under this chapter.
(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.116. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.

(b) The district is entitled to all causes of action and defenses to which similar authorities are entitled.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1048.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of the district, including:

(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year, with the balances expected at the end of the year in which the budget is being prepared;
(5) the estimated revenue and balances available to cover the proposed expenditures and disbursements; and
(6) the estimated receipts and collections for the following fiscal year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1048.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Not later than the 10th day before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period in which revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1048.156. ANNUAL AUDIT. The board annually shall have an independent audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1048.160(b), and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1048.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1048.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or

(3) a district bond that has been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2009, 81st Leg., R.S., Ch. 691 (H.B. 2708), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS

Sec. 1048.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
(2) equipping buildings or improvements for hospital system purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1048.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.203. BOND ELECTION. (a) The district may issue bonds, other than refunding bonds, wholly or partly secured by an ad valorem tax only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order and publication of notice for the bond election must be provided in accordance with Chapter 1251, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital system purposes; or

(2) acquire sites to be used for the hospital system.

(b) The bonds must be payable from and secured by a pledge of all or part of district revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed
of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.206. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1048.202 and revenue and other sources as authorized by Section 1048.204.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.207. MATURITY OF BONDS. District bonds must mature not later than the 40th anniversary of the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1048.208. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.  
(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:  
(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;  
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;  
(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:  
(A) during an estimated period of acquisition or construction, not to exceed five years; and  
(B) for one year after the project or facility is acquired or constructed;  
(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;  
(5) costs related to the issuance of the bonds;  
(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and  
(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.210. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:  
(1) bonds issued by the district;  
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER F. TAXES**

Sec. 1048.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes;

(2) provide for the operation and maintenance of the district and hospital system;

(3) make improvements and additions to the hospital system; and

(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
SUBCHAPTER G. DISSOLUTION

Sec. 1048.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:
   (1) the nature of the election, including the proposition to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.

(e) Section 41.001, Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Karnes County Hospital District."
Sec. 1048.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Sec. 1048.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Karnes County or another governmental entity in Karnes County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Sec. 1048.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:
(1) determine the debt owed by the district; and
(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1048.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Karnes County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Karnes County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1049. KIMBLE COUNTY HOSPITAL DISTRICT OF KIMBLE COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1049.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Commissioners court" means the Commissioners Court of Kimble County.
(3) "Director" means a member of the board.
(4) "District" means the Kimble County Hospital District of
Kimble County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.002. AUTHORITY FOR CREATION. The district is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.003. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Kimble County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1049.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large.

(b) Directors serve staggered three-year terms.
(c) An election shall be held each year on the May uniform election day prescribed by Section 41.001, Election Code, to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.052. QUALIFICATIONS FOR OFFICE. To qualify for election to the board, a person must:
   (1) be at least 18 years of age;
   (2) have been a district resident for at least two years; and
   (3) be a qualified property tax paying voter of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall qualify for office by executing a good and sufficient commercial bond for $1,000 that is:
   (1) payable to the district; and
   (2) conditioned on the faithful performance of the director's duties.

   (b) The district shall pay for a director's bond.

   (c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository for safekeeping.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
    Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.018, eff. September 1, 2009.

Sec. 1049.054. BOARD VACANCY. If a vacancy occurs in the office of director, a majority of the directors shall appoint a director for the unexpired term.
Sec. 1049.055. OFFICERS. The board shall elect from among its members a president, a secretary, and a treasurer at the first meeting after each director's election.

Sec. 1049.056. COMPENSATION; EXPENSES. A director serves without compensation but is entitled to reimbursement for necessary expenses incurred in the performance of official duties.

Sec. 1049.057. DISTRICT ADMINISTRATOR. (a) The board may employ a district administrator to manage the operations of the hospital system.

(b) The district administrator may employ necessary personnel to perform the services provided by the hospital system.

Sec. 1049.058. EMPLOYEES. The board may employ an attorney, a general manager, a bookkeeper, an architect, and other employees necessary for the efficient operation of the district.

Sec. 1049.059. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. The board shall:

(1) maintain all district records, including books,
accounts, notices, minutes, and other matters of the district and its operation, at the district office; and
(2) make those records available for public inspection at reasonable times.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1049.101. DISTRICT RESPONSIBILITY. The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations to provide hospital service or medical care in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.103. MANAGEMENT AND CONTROL OF DISTRICT. The board has full power to manage and control the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.104. HOSPITAL SYSTEM. The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1049.105. RULES. (a) The board shall adopt rules for the efficient operation of the district, including district facilities.  
(b) The board shall:  
(1) publish the rules in book form; and  
(2) provide copies to interested persons on request at district expense.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in real, personal, or mixed property located in district territory if the interest is necessary or convenient for the district to exercise a power or duty conferred on the district by this chapter.  
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.  
(c) In a condemnation proceeding, the district is not required to:  
(1) pay in advance or provide a bond or other security for costs in the trial court; or  
(2) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1049.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.109. CONTRACTS FOR HEALTH CARE. The board may contract with any public or private entity, including a charitable organization, the federal government, this state, or any political subdivision, to provide health care or related services inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A person who resides in the district is entitled to receive necessary medical and hospital care regardless of whether the person has the ability to pay for the care and may apply to receive this care without cost.

(b) The board or the district administrator shall employ a person to investigate the ability of the patient and any relative who is liable for the patient's support to pay for the medical and hospital care received by the patient.

(c) If the investigator determines that the patient or relative legally liable for the patient's support cannot pay all or part of the costs of the patient's care, the expense of the care becomes a charge against the district.

(d) If the patient or a relative legally liable for the patient's support can pay for all or part of the costs of the patient's care, the board shall:

(1) order the patient or relative to pay the district each week an amount specified in the order, which must be proportionate to the person's ability to pay; and

(2) send a billing statement charging that amount to the person.
The district may collect the amount from the patient's estate, or from any relative who is liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the investigator, the board shall hold a hearing and, after calling witnesses, shall:

(1) determine the question; and
(2) make the proper order based on the board's findings.

(g) A party to the hearing who is not satisfied with the result of the order may appeal to the district court. The appeal is de novo.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1049.151. BUDGET. The board shall prepare a budget that includes:

(1) proposed expenditures and disbursements;
(2) estimated receipts and collections for the next fiscal year; and
(3) the amount of taxes required to be imposed to meet the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 11th day before the date of the hearing.

(c) Any person is entitled to:

(1) appear at the hearing; and
(2) be heard regarding any item in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1049.153. FISCAL YEAR. The district's fiscal year is from October 1 to September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.154. ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.

(b) Not later than December 1 of each year, the board shall file a copy of the audit with:

(1) the comptroller; and

(2) the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.155. DEPOSITORY. (a) The board by resolution shall designate a bank in Kimble County as the district's depository. A designated bank serves for two years and until a successor is designated.

(b) All district money shall be deposited in the depository and secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or
(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1049.201. BONDS. The district may issue bonds to:

(1) purchase, construct, acquire, repair, or renovate buildings and improvements; and

(2) equip buildings for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.202. TAX TO PAY BONDS. The board may issue bonds under Section 1049.201 only if the board imposes an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.203. BOND ELECTION. (a) The board may issue bonds under Section 1049.201 only if the bonds are authorized by a majority of district voters voting in an election held for that purpose. The total face value of the bonds may not exceed the amount specified in the election order.

(b) The board may order a bond election at any time.

(c) The order calling the election must include:

(1) the time of the election;
(2) the location of the polling places;
(3) the form of the ballots;
(4) the presiding judge for each polling place;
(5) the purpose of the bond issuance;
(6) the amount of the bonds to be authorized;  
(7) the maximum interest rate of the bonds; and  
(8) the maximum maturity date of the bonds.

(d) A substantial copy of the election order shall be published in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first notice must be published not later than the 15th day before the date of the election.

(e) A copy of the election results must be filed with the county clerk and become a public record.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.204. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.205. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.206. REVENUE BONDS. (a) The board may issue and sell revenue bonds in the name and on the faith and credit of the district to purchase, construct, acquire, repair, renovate, or equip buildings or improvements for district purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
the issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER F. TAXES**

Sec. 1049.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used only to:

(1) pay the interest on and create a sinking fund for bonds issued under this chapter;

(2) provide for the operation and maintenance of the district and hospital system;

(3) make improvements and additions to the hospital system;

or

(4) acquire sites for additions to the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.253. TAX ASSESSOR-COLLECTOR. (a) The tax assessor-collector for Kimble County shall collect taxes for the district.

(b) The tax assessor-collector is entitled to a reasonable fee that is agreed to by the district as compensation for the person's services.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER G. DISSOLUTION

Sec. 1049.301. DISSOLUTION; ELECTION. (a) The district may be dissolved on approval of a majority of the district voters voting in an election held for that purpose.

(b) The commissioners court may order an election to dissolve the district on its own order recorded in the minutes. The commissioners court shall order the election if the commissioners court receives a petition from 50 district voters.

(c) The order calling the election must specify:
   (1) the location of the polling places;
   (2) the form of the ballots; and
   (3) the presiding judge for each polling place.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.302. NOTICE OF ELECTION. (a) The commissioners court shall publish a substantial copy of the election order in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of an election under this subchapter.

(b) The first notice must be published not later than the 15th day before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The Dissolution of Kimble County Hospital District of Kimble County, Texas."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the commissioners court shall, within 10 days after the date the results
are filed, declare the results and order the district dissolved. A copy of the order shall be placed in the minutes of the court, and a copy shall be sent to the board.

(b) If a majority of the votes are against dissolution, this does not prevent the holding of other dissolution elections after the passage of one year.

(c) A copy of the election results must be filed with the county clerk and become a public record.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1049.305. AUDIT; TRANSFER OF ASSETS AND LIABILITIES. (a) Within 30 days after the election results are filed under Section 1049.304, the commissioners court shall employ an independent audit of the dissolved district's assets and liabilities.

(b) Within 10 days after the audit is completed, the commissioners court shall:

(1) publish a copy of the audit in a newspaper of general circulation in the district; and

(2) by declaration:
(A) formally transfer the assets of the dissolved district to Kimble County; and
(B) formally declare the county liable for all debts and liabilities incurred by the dissolved district.

(c) The declarations shall be published in a newspaper of general circulation within 10 days after the declarations are made.

(d) Any assets transferred to Kimble County shall be used to benefit the citizens formerly in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1050. KNOX COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1050.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Knox County Hospital District.
Sec. 1050.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Knox County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.006. PUBLIC PURPOSE; TAX EXEMPTION. All property owned by the district:

(1) shall be held for public purposes; and
(2) is exempt from taxation of every character.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1050.051. BOARD ELECTION AND APPOINTMENT; TERM. (a) The district is governed by a board of seven directors as follows:

(1) four directors appointed by the Commissioners Court of Knox County to board positions 1 through 4, with one director appointed from each of the four county commissioner precincts as the precincts existed on May 22, 1967; and

(2) three directors elected from the district at large to board positions 5 through 7.

(b) Directors serve staggered two-year terms.

(c) The Commissioners Court of Knox County shall appoint two successor directors on or before the date on which directors are elected each year.

(d) An election shall be held each year on the May uniform election date under Section 41.001, Election Code, to elect the appropriate number of at-large directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 1, eff. June 14, 2013.

Sec. 1050.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in accordance with Section 4.003, Election Code, in a newspaper of general circulation in Knox County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 2, eff. June 14, 2013.

Sec. 1050.053. BALLOT APPLICATION. A person who wants to have the person's name printed on the ballot as a candidate for elected director must file with the board secretary an application in accordance with Chapter 144, Election Code.
Sec. 1050.054. QUALIFICATIONS FOR OFFICE. (a) A person is not qualified for appointment or election as a director unless the person:

(1) is a district resident; and
(2) is at least 18 years of age at the time of the appointment or election.

(b) A person may not be appointed as a director for a commissioners precinct unless at the time of appointment the person is a resident of that commissioners precinct.

Sec. 1050.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository bank for safekeeping.

Sec. 1050.056. BOARD VACANCY. (a) If a vacancy occurs in the office of an elected director, the remaining directors shall appoint a director for the unexpired term.
(b) If a vacancy occurs in the office of an appointed director, the Commissioners Court of Knox County shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.057. DIRECTOR RIGHTS, PRIVILEGES, AND DUTIES. The directors have identical rights, privileges, and duties in all matters concerning the board's business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.058. OFFICERS. The board shall elect from among its members a president, a vice president, and a secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 5, eff. June 14, 2013.

Sec. 1050.059. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.060. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1050.061. EMPLOYEES. The board may employ a general manager, attorneys, bookkeepers, architects, or any other employees considered necessary for the efficient operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.062. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1050.055, all district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:
   (1) maintained at the district office; and
   (2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.063. SEAL. The board may adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1050.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION AND DEBT. Knox County or a municipality in Knox County may not impose a tax on property in the district for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1050.103. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.
(b) On approval of the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.104. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.
(b) The board shall prescribe:
   (1) all accounting and control procedures; and
   (2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.105. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.106. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.107. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the board determines that the patient or those relatives are liable to pay all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.
(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue an appropriate order.

(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.108. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1050.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:
   (1) proposed expenditures and disbursements;
   (2) estimated receipts and collections; and
   (3) the amount of taxes required to be imposed for the year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.
   (b) Notice of the hearing must be published at least once in a newspaper of general circulation in Knox County not later than the 10th day before the date of the hearing.
   (c) Any district resident is entitled to:
      (1) appear at the time and place designated in the notice; and
      (2) be heard regarding any item included in the proposed
budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 6, eff. June 14, 2013.

Sec. 1050.153. FISCAL YEAR. (a) The fiscal year begins on October 1 and ends on September 30, unless otherwise established by the board.

(b) The fiscal year may not be changed:
(1) during a period that revenue bonds of the district are outstanding; or
(2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 7, eff. June 14, 2013.

Sec. 1050.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the fiscal year.

(b) Not later than December 31 each year, the audit shall be filed:
(1) with the comptroller; and
(2) at the district office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.155. DEPOSITORY. (a) The board by resolution shall designate a bank as the district's depository. A designated bank serves for two years until a successor is designated.

(b) District money, other than money invested in accordance with Chapter 2256, Government Code, and money transmitted to a bank
for payment of bonds or obligations issued by the district, shall be deposited with the district depository.

(c) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 8, eff. June 14, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 9, eff. June 14, 2013.

Sec. 1050.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate of interest the board determines is appropriate.

(b) To secure a loan, the board may pledge:
(1) district revenue that is not pledged to pay the district's bonded indebtedness; or
(2) property acquired with the loan proceeds that is not pledged to pay the district's bonded indebtedness.

(c) A loan authorized by this section must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1050.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:
(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1050.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued by the district under Section 1050.201 as the bonds mature.

(b) Except as provided by Section 1050.253, the tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 35 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order the election on its own motion.

(c) The order calling the election must specify:

1. the date of the election;
2. the location of the polling places;
3. the presiding election officers;
4. the purpose of the bond issuance;
5. the amount of the bonds to be authorized;
6. the maximum interest rate of the bonds; and
7. the maximum maturity of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Knox County once each week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.
Sec. 1050.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Sec. 1050.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for hospital purposes; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system, including district facilities.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by county hospital authorities.

Sec. 1050.207. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the indebtedness to be refunded; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 10, eff. June 14, 2013.

Sec. 1050.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1050.202 and revenue and other sources authorized by Section 1050.206.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 10, eff. June 14, 2013.

Sec. 1050.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:

(A) during an estimated period of acquisition or construction, not to exceed five years; and

(B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 10, eff. June 14, 2013.
**SUBCHAPTER F. TAXES**

Sec. 1050.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

1. pay the interest on and create a sinking fund for bonds or other obligations issued or assumed by the district for hospital purposes;
2. provide for the operation and maintenance of the district and hospital system;
3. make improvements and additions to the hospital system; and
4. acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.252. TAX RATE. The board may impose the tax at a rate not to exceed 35 cents on each $100 valuation of taxable property in the district, unless the tax rate is increased as provided by Section 1050.253.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the district's maximum tax rate to a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) The maximum tax rate may not be increased unless the increase is approved by a majority of the district voters voting in an election held for that purpose.

(c) The board may order the election on its own motion.

(d) The election order must specify:

1. the date of the election;
2. the location of the polling places;
3. the presiding election officers; and
4. the purpose of the election.
(e) Notice of the election shall be given by publishing a substantial copy of the election order in a newspaper of general circulation in Knox County once a week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1050.254. TAX ASSESSOR-COLLECTOR. The board may:
(1) appoint a tax assessor-collector for the district; or
(2) contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 11, eff. June 14, 2013.

SUBCHAPTER G. DISSOLUTION

Sec. 1050.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:
(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.
Sec. 1050.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Sec. 1050.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Knox County Hospital District."

Sec. 1050.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Sec. 1050.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Knox County or
another governmental entity in Knox County; or

(2) administer the property, assets, and debts until all
money has been disposed of and all district debts have been paid or
settled.

(b) If the board makes the transfer under Subsection (a)(1),
the county or entity assumes all debts and obligations of the
district at the time of the transfer, and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board
administers the property, assets, and debts of the district under
Subsection (a)(2), the district is dissolved when all money has been
disposed of and all district debts have been paid or settled.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 12,
eff. June 14, 2013.

Sec. 1050.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.
(a) After the board finds that the district is dissolved, the board
shall:

(1) determine the debt owed by the district; and
(2) impose on the property included in the district's tax
rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of
the district, the board shall order the secretary to return to each
district taxpayer the taxpayer's pro rata share of all unused tax
money.

(c) A taxpayer may request that the taxpayer's share of surplus
tax money be credited to the taxpayer's county taxes. If a taxpayer
requests the credit, the board shall direct the secretary to transmit
the money to the county tax assessor-collector.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 12,
eff. June 14, 2013.

Sec. 1050.307. REPORT; DISSOLUTION ORDER. (a) After the
district has paid all district debts and has disposed of all district
money and other assets as prescribed by this subchapter, the board
shall file a written report with the Commissioners Court of Knox
County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the
Commissioners Court of Knox County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1040 (H.B. 2907), Sec. 12, eff. June 14, 2013.

CHAPTER 1051. LAVACA HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1051.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Lavaca Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.002. AUTHORITY FOR OPERATION. The district operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the following school districts, all located in Lavaca County, as those boundaries existed on March 13, 1975:
(1) Hallettsville Independent School District, including the Moravia School District No. 7;
(2) Ezzell School District No. 54;
(3) Vysehrad School District No. 29;
(4) the part of the Oakland-Weimar Independent School Districts of Colorado County that is located in Lavaca County; and
(5) the part of the Provident City Independent School District that is located in Lavaca County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 1051.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large by place.
(b) Directors serve staggered four-year terms.
(c) An election shall be held on the uniform election date in May of each even-numbered year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.052. NOTICE OF ELECTION. Not later than the 31st day before the date of an election of directors, notice of the election shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must:
(1) be signed by at least 10 voters;
(2) specify the place for which the person is to be a candidate; and
(3) be filed not later than the 31st day before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:
(1) a district resident;
(2) a freeholder; and
(3) a qualified voter.
(b) A person is not eligible to serve as a director if the person is:
(1) the district administrator; or
(2) a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.056. OFFICERS. (a) The board shall elect:

(1) a president and a vice president from among its members; and

(2) a secretary, who need not be a director.

(b) Each officer of the board serves for a term of one year.

(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.058. VOTING REQUIREMENT. A concurrence of a majority of the directors is sufficient in any matter relating to district business.
Sec. 1051.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.

(a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.

Sec. 1051.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Sec. 1051.061. EMPLOYEES; APPOINTMENT OF STAFF.

(a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.
Sec. 1051.062. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1051.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1051.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:
   (1) purchasing, constructing, acquiring by gift or otherwise, repairing, or renovating buildings and equipment;
   (2) equipping the buildings; and
   (3) administering the buildings and equipment for hospital purposes.
   (b) The hospital system may include:
      (1) domiciliary care and treatment of the sick, injured, or geriatric;
      (2) outpatient clinics;
      (3) dispensaries;
      (4) convalescent home facilities;
      (5) necessary nurses;
      (6) domiciliaries and training centers;
      (7) blood banks;
      (8) community mental health centers;
      (9) research centers or laboratories; and
      (10) any other facilities the board considers necessary for hospital care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
   (1) the method and manner of making purchases and expenditures by and for the district; and
   (2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 2176, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1051.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.
(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.
(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.
(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary
restraining order or a temporary injunction; or
  (3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than $10,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.
(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the medical, hospital, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.115. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1051.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.
(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.156. AUDIT. The board shall have an audit made of the district's financial condition.
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:
(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.
(b) District money, other than money invested as provided by Section 1051.160(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.
(c) This chapter, including Subsection (b), does not limit the power of the board to:
(1) place a part of district money on time deposit;
(2) purchase certificates of deposit; or
(3) invest a part of district money in a local government investment pool established in the Texas Treasury Safekeeping Trust Company.
(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district
money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1051.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1051.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1051.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.
Sec. 1051.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The order calling the election shall provide for clerks as in county elections and must specify:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the presiding and alternate election judges for each polling place;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Sec. 1051.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Sec. 1051.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Sec. 1051.206. REVENUE BONDS. (a) The board may issue revenue
bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER F. TAXES

Sec. 1051.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to pay:
   (1) indebtedness issued or assumed by the district; and
   (2) the maintenance and operating expenses of the district.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds issued under Section 1051.206.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1051.254.

(b) The tax assessor-collector of Lavaca County shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1051.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:
(1) reside in the district; and
(2) own real property subject to district taxation.

(c) The board shall set for the district tax assessor-collector:

(1) the term of employment; and
(2) compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1052. LOCKNEY GENERAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1052.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Lockney General Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.002. AUTHORITY FOR CREATION. The district is created under the authority of Section 9, Article IX, Texas Constitution. The district has the rights, powers, and duties conferred by this chapter and general laws relating to hospital districts.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners
Precinct No. 2 of Floyd County as those boundaries existed on January 1, 1973.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1052.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and

(2) the terms of three directors expire in odd-numbered years and the terms of two directors expire in even-numbered years.

(c) The election order must state the time, place, and purpose of the election.

(d) A director may not serve more than three successive terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.052. NOTICE OF ELECTION. Notice of an election of
directors shall be published in a newspaper of general circulation in the area of the district in accordance with Section 4.003, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 1, eff. June 19, 2009.

Sec. 1052.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:
(1) a district resident; and
(2) a qualified voter.
(b) A person is not eligible to serve as a director if the person is a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 2, eff. June 19, 2009.

Sec. 1052.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.056. OFFICERS. (a) The board shall elect from among its members a president, vice president, secretary, and other officers as in the judgment of the board are necessary.
(b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1074, Sec. 8, eff. June 19, 2009.
(c) If the president is absent or fails and declines to act, the vice president shall perform the president's duties and exercise the president's powers under this chapter.
Sec. 1052.057. COMPENSATION; EXPENSES. A director serves without compensation but may receive actual expenses incurred in attending to district business on approval of the expenses by the remainder of the board.

Sec. 1052.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board shall appoint a qualified person as district administrator.
(b) The board may appoint an assistant administrator.
(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
   (1) is conditioned on the administrator performing the administrator's duties; and
   (2) contains other conditions the board may require.

Sec. 1052.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.
Sec. 1052.060. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The board shall determine the type, number, and location of district employees required to maintain an adequate hospital system. The board may employ fiscal agents, accountants, architects, attorneys, and other employees the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.061. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. (a) The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees, including:

1. advertising and marketing;
2. paying travel, recruitment, and relocation expenses; and
3. providing a loan or scholarship to a physician or a person who:
   A. is currently enrolled in health care education courses at an institution of higher education; and
   B. contractually agrees to become a district employee or medical staff member.

(b) The board may spend district money, enter into agreements, and take other necessary action to pay tuition or other expenses of a full-time medical student or other student who:

1. is currently enrolled and in good standing in a medical school or another health care program at an institution of higher education; and
2. contractually agrees to become a district employee or independent contractor for the district.
Sec. 1052.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing hospital care for the district's indigent residents.

Sec. 1052.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes for the area of the district or to provide medical care for district inhabitants.

Sec. 1052.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. (a) The board shall manage, control, and administer the hospital system and the district's money and resources.

(b) Unless specifically stated otherwise in this chapter, the board has the power to do anything which, in their opinion, is necessary for the good maintenance, operation, and welfare of the district and the district's employees, patients, and property.

Sec. 1052.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the buildings and equipment for hospital
purposes.

(b) The hospital system may include:

(1) facilities for domiciliary care of the sick, injured, or geriatric;
(2) facilities for outpatient clinics;
(3) dispensaries;
(4) convalescent home facilities;
(5) necessary nurses' domiciliaries and training centers;
(6) blood banks;
(7) research centers or laboratories; and
(8) ambulances and other facilities or services the board considers necessary for hospital care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type of equipment and the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest
of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants. The board may not sell or dispose of any real property unless the board affirmatively finds that the real property is not needed for the operation of the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1052.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment for hospital purposes to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after competitive bidding in the manner provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 3, eff. June 19, 2009.

Sec. 1052.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1052.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the medical, hospital, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(f) The final order of the board may be appealed to the
district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.115. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1052.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

1. the outstanding obligations of the district;
2. the cash on hand in each district fund;
3. the money received by the district from all sources during the previous year;
4. the money available to the district from all sources during the ensuing year;
5. the balances expected at the end of the year in which the budget is being prepared;
6. the estimated revenue and balances available to cover the proposed budget;
7. the estimated tax rate required; and
8. the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the
district.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a final budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.154. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.155. AUDIT. (a) The board shall have an independent audit made of the district's financial condition for the fiscal year.

(b) As soon as the audit is completed, the audit shall be filed at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.156. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.
Sec. 1052.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:
(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Sec. 1052.158. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.
(b) District money, other than money invested as provided by Section 1052.159(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.
(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

Sec. 1052.159. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1052.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.
(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1052.160. GENERAL AUTHORITY TO BORROW MONEY; SECURITY. 

(a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or

(3) a district bond that has been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 5, eff. June 19, 2009.

SUBCHAPTER E. BONDS

Sec. 1052.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1052.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad
valorem tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized;
(5) the maximum maturity of the bonds; and
(6) the maximum interest rate of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.204. REVENUE BONDS. (a) The board may, without an election, issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.
Sec. 1052.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Sec. 1052.206. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Sec. 1052.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Sec. 1052.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer and issuance of the bonds; and

(3) profits made in the sale of the bonds.
Sec. 1052.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1052.202 and revenue and other sources authorized by Section 1052.204.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 6, eff. June 19, 2009.

Sec. 1052.210. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 6, eff. June 19, 2009.
SUBCHAPTER F. TAXES

Sec. 1052.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:
   (1) pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes;
   (2) provide for the operation and maintenance of the district and hospital system, based on the final budget;
   (3) make improvements and additions to the hospital system; and
   (4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1052.253. TAX ASSESSOR-COLLECTOR. (a) The board shall appoint a tax assessor-collector to assess and collect taxes imposed by the district.

(b) The district tax assessor-collector is not required to reside in the district.

(c) The board shall set for the district tax assessor-collector:
   (1) the terms of employment; and
   (2) compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER G. DISSOLUTION

Sec. 1052.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:
(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 7, eff. June 19, 2009.

Sec. 1052.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 7, eff. June 19, 2009.

Sec. 1052.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Lockney General Hospital District."
Sec. 1052.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election on the question of dissolution.

Sec. 1052.305. TRANSFER OF ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Floyd County or another governmental entity in Floyd County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Sec. 1052.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:
(1) determine the debt owed by the district; and
(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 7, eff. June 19, 2009.

Sec. 1052.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Floyd County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Floyd County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 7, eff. June 19, 2009.

CHAPTER 1053. LUBBOCK COUNTY HOSPITAL DISTRICT OF LUBBOCK COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1053.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of hospital managers of the district.
(2) "Commissioners court" means the Commissioners Court of Lubbock County.
(3) "District" means the Lubbock County Hospital District
of Lubbock County, Texas.

(4) "Manager" means a member of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.002. AUTHORITY FOR OPERATION. The district operates under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.003. DISTRICT TERRITORY. (a) The boundaries of the district are coextensive with the boundaries of Lubbock County, Texas, as the boundaries of Lubbock County appear of record according to the field notes and plats on file in the county clerk's office.

(b) The boundaries of the district described by Subsection (a) form a closure. An error in copying the description does not affect the validity of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.004. DISTRICT SUPPORT, MAINTENANCE, AND DEBT NOT STATE OBLIGATION. The support and maintenance of the district's hospital system, including medical or other health facilities, and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1053.051. BOARD APPOINTMENT; TERM. (a) The board consists of not fewer than six and not more than eight managers appointed as follows:

(1) one ex officio manager appointed by the Texas Tech University Board of Regents; and

(2) the remaining managers appointed by the commissioners court.

(b) Managers serve two-year terms. The terms may overlap.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 48 (S.B. 398), Sec. 1, eff. May 12, 2011.

Sec. 1053.052. EX OFFICIO MANAGER. (a) The ex officio manager has all powers of another manager, except the ex officio manager may not vote.

(b) The ex officio manager shall:

(1) attend executive sessions of the board; and

(2) have access to all documents reviewed or considered by the board or its staff.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.053. OFFICERS. (a) The board shall select from among the managers a presiding officer, who shall preside over the board.

(b) A presiding officer pro tem shall preside in the absence of the presiding officer.

(c) The district administrator or any manager may be appointed secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1053.054. COMPENSATION. A manager serves without pay.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.055. RECORDS OF PROCEEDINGS. (a) The secretary shall keep suitable records of all proceedings of each board meeting.

(b) After each meeting:
   (1) the manager presiding at the meeting shall read and sign the record; and
   (2) the secretary shall attest the record.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.056. DISTRICT ADMINISTRATOR. (a) The board shall appoint a general manager qualified by training and experience as the district administrator.

(b) The district administrator serves for a term not to exceed two years and is entitled to receive the compensation determined by the board.

(c) The board may remove the district administrator at any time.

(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount of not less than $10,000 that:
   (1) is conditioned on the administrator performing well and faithfully the administrator's required duties; and
   (2) contains other conditions the board may require.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.057. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district...
administrator shall:
(1) perform the duties required by the board;
(2) supervise the work and activities of the district; and
(3) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.058. ASSISTANT ADMINISTRATOR. (a) The board may designate an assistant administrator to discharge a duty or function of the district administrator in the event of the administrator's incapacity, absence, or inability to discharge the duty or function.
(b) The assistant administrator shall post the bond required by board order.
(c) The assistant administrator is subject to the limitations prescribed by board order.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.059. LEGAL COUNSEL. (a) The appropriate county, district, or criminal district attorney charged with representing Lubbock County in civil matters shall represent the district in all legal matters.
(b) The district shall contribute sufficient money to the Lubbock County general fund for the account designated for the appropriate attorney described in Subsection (a) to pay all additional salaries and expenses incurred by the attorney in performing the duties required by the district.
(c) The board may employ additional legal counsel the board considers advisable.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.060. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors and employ any technicians, nurses, and other employees considered advisable for the efficient
operation of the hospital or hospital system, including medical or
other health facilities.

(b) A contract or term of employment under Subsection (a) may
not exceed two years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
dated April 1, 2009.

Sec. 1053.061. RETIREMENT PROGRAM. (a) With the approval of
the commissioners court, the board may contract with this state or
the federal government as necessary to establish or continue a
retirement program for the benefit of district employees.

(b) The board may establish other retirement programs for the
benefit of district employees as it considers necessary and
advisable.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1053.062. SEAL. The board shall have a seal engraved with
the district's name to authenticate the acts of the board. The
secretary of the board shall keep the seal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1053.101. DISTRICT RESPONSIBILITY. (a) The district has
full responsibility for providing medical and hospital care for the
district's needy and indigent residents.

(b) The district shall provide all necessary medical and
hospital care for the district's needy inhabitants.

(c) The district has full responsibility for providing medical
and hospital care for the district's residents and needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.
Sec. 1053.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital or hospital system, including medical or other health facilities of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.104. HOSPITAL SYSTEM. (a) The district has the responsibility to establish a hospital or hospital system, including medical or other health facilities within its boundaries to provide hospital and medical care to the district's residents.

(b) Subject to approval of the commissioners court, the district may provide primary care, emergency services, preventive medicine services, and other health-related services outside the district, provided the activities fulfill the purposes of the district under Subsection (a) and Section 1053.101(b).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.105. RULES. The board may adopt rules for the operation of the hospital or hospital system, including medical or other health facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The commissioners court may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

(b) The commissioners court by resolution or order may delegate to the board a power described by Subsection (a).

(c) The district shall pay the salaries and expenses necessarily incurred by Lubbock County or by an officer or agent of the county in performing a duty prescribed or required by this section.

(d) An officer, employee, or agent of Lubbock County shall perform any function or service prescribed by the commissioners court under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) Subject to Subchapter D and to approval by the commissioners court, the board may:

(1) construct, condemn, purchase, acquire, lease, add to, maintain, operate, develop, regulate, sell, exchange, and convey any land, property, property rights, equipment, hospital facilities and systems for the maintenance of hospitals, buildings, structures, and any other facility or service the district requires or has available to sell, lease, or exchange;

(2) cooperate and contract with any of the following to effect a power described by Subdivision (1):

(A) the United States government;

(B) this state;

(C) a municipality;

(D) a hospital district;

(E) a department of a governing body described by Subparagraphs (A)-(D); or

(F) a privately owned or operated hospital, corporate or otherwise, in the district; and

(3) provide office space, equipment, supplies, and services for the use of the Lubbock County medical examiner's office for medical, hospital, or other purposes unrelated to a criminal investigation.
(b) A contract under Subsection (a)(2) must, in the opinion of
the board and the commissioners court, be expedient and advantageous
to the district under existing circumstances, and for fair and
reasonable compensation and on terms and for a length of time that
furthers and assists the district in performing its duty to provide
medical and hospital care to needy inhabitants of Lubbock County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1053.108. EMINENT DOMAIN. (a) The district may exercise
the power of eminent domain to acquire a fee simple or other interest
in any type of property, real, personal, or mixed, located in
district territory, if the interest is necessary or convenient for
the district to exercise a right, power, privilege, or function
conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in
the manner provided by Chapter 21, Property Code, except the district
is not required to deposit in the trial court money or a bond as
provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the
district is not required to:

(1) pay in advance or provide a bond or other security for
costs in the trial court;

(2) provide a bond for the issuance of a temporary
restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an
appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1053.109. GIFTS AND ENDOWMENTS. The board may accept for
the district a gift or endowment to be held in trust and administered
by the board for the purposes and under the directions, limitations,
or other provisions prescribed in writing by the donor that are not
inconsistent with the proper management and objectives of the
district.
Sec. 1053.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board, with the approval of the commissioners court, may contract with:

(1) a county for the care and treatment of a sick or injured person of that county; and

(2) this state or a federal agency for the care and treatment of a sick or injured person for whom the state or agency is responsible.

Sec. 1053.111. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives are liable for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the county court shall hold a
hearing and, after calling witnesses, shall:
(1) resolve the dispute or doubt; and
(2) issue an appropriate order.
(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.112. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. SALE OR LEASE OF CERTAIN FACILITY
Sec. 1053.151. DEFINITION. In this subchapter, "hospital official" means the following officers or employees, or their equivalent, of the teaching hospital described by Section 1053.152(a):
(1) the executive director;
(2) the president;
(3) the chief executive officer;
(4) the chief operating officer;
(5) the chief financial officer;
(6) any vice president; and
(7) any other officer.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.152. RESOLUTION; SALE OR LEASE OF FACILITY. (a) Subject to Subsection (c) and the approval of the commissioners court, the board by resolution may order the sale or lease of a facility that is:
(1) owned and operated by the district as a teaching hospital; and
(2) located on the campus of Texas Tech University.
The resolution must include a finding by the board that the sale or lease:

1. is in the best interests of district residents; and
2. will not financially benefit a hospital official, other than from the continuation of a compensation package existing before the date of the sale or lease.

The board may sell or lease the facility only if:

1. no hospital official has made a disclosure under Sections 1053.156 and 1053.157 at any time before the date of the sale or lease; and
2. a majority of the votes cast at an election held under this subchapter approves the sale or lease.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.153. ELECTION. (a) As soon as possible after the board adopts a resolution under Section 1053.152, the commissioners court shall order an election on the question of selling or leasing the facility.

(b) The election shall be held on the first authorized uniform election date prescribed by Subchapter A, Chapter 41, Election Code, that complies with Section 3.005, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.154. BALLOT. The ballot for an election under this subchapter shall be printed to permit voting for or against the proposition: "Approving the ________ (sale or lease, as appropriate) of ________ (name of facility)."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.155. DISCLOSURE OF SALE OR LEASE TERMS. The presiding officer of the board shall disclose the terms of the proposed sale or lease of a facility described by Section 1053.152
not later than the 30th day before the date of an election held under this subchapter. The disclosure must include both oral and written agreements relating to the sale or lease.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.156. DISCLOSURE OF FINANCIAL INTEREST. (a) In this section, "substantial interest" has the meaning assigned by Section 171.002, Local Government Code. (b) A manager or hospital official shall disclose any financial interest the person has in the sale or lease of a facility described by Section 1053.152 not later than the 30th day before the date of an election held under this subchapter. (c) For purposes of this section, a person has a financial interest in the sale or lease if the person: (1) has a substantial interest in a business entity involved in the sale or lease; (2) is related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to a person who has a substantial interest in a business entity involved in the sale or lease; or (3) is a hospital official who will benefit financially from the sale or lease, other than from the continuation of a compensation package existing before the date of the sale or lease.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.157. DISCLOSURE; PUBLIC RECORD. (a) A person shall make a disclosure required under Section 1053.155 or 1053.156 by filing the disclosure with the commissioners court and the board. (b) The filed disclosure is a public record.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.158. ELECTION CANCELLATION. The commissioners court
shall cancel an election ordered under this subchapter if a hospital official makes a disclosure under Sections 1053.156 and 1053.157 at any time before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.159. SUBSEQUENT ELECTIONS. If a majority of the votes cast at an election under this subchapter do not approve the sale or lease of a facility under this subchapter, another election to approve the sale or lease, as appropriate, may not be held before the first anniversary of the most recent election on the proposition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.160. SALE OR LEASE NOT INVALID. A disclosure under this subchapter that is made after the date on which the sale or lease of the facility occurs does not invalidate the sale or lease.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.161. CRIMINAL PENALTY. (a) A person required to make a disclosure under Section 1053.156 commits an offense if the person knowingly fails to make the disclosure within the period prescribed by that section.

(b) An offense under this section is a Class A misdemeanor.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1053.201. BUDGET. (a) The district administrator, under the direction of the board, shall prepare an annual budget.

(b) The budget must be approved by the board and presented to the commissioners court for final approval. In like manner, all
budget revisions shall be subject to approval by the commissioners court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.202. FINANCIAL REPORT. (a) As soon as practicable after the close of each fiscal year, the district administrator shall prepare a report that includes:

(1) a complete sworn statement of:
   (A) all money and choses in action received by the administrator; and
   (B) how the money and choses in action were disbursed or otherwise disposed; and
(2) the details of district operation during the preceding fiscal year.

(b) The district administrator shall make the report to:

(1) the board;
(2) the commissioners court;
(3) the Department of State Health Services; and
(4) the comptroller.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.203. DEPOSITORY. (a) The board shall select a depository for the district in the manner provided by law for selection of a county depository. The depository serves for two years and until a successor is selected and qualified. In the alternative, the board may use the depository selected by the county.

(b) All income received by the district shall be deposited with the district depository.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.204. WARRANTS. A warrant against district money does not require the signature of the county clerk of Lubbock County.
SUBCHAPTER F.  BONDS

Sec. 1053.251.  GENERAL OBLIGATION BONDS.  The commissioners court may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1)  purchase, construct, acquire, repair, or renovate buildings or improvements for hospital purposes;

(2)  equip buildings or improvements for hospital purposes; and

(3)  purchase, construct, acquire, equip, or enlarge the hospital or hospital system, including medical or other health facilities for any purpose related to that activity.

Sec. 1053.252.  TAX TO PAY GENERAL OBLIGATION BONDS.  (a)  An ad valorem tax shall be imposed on all property in the district subject to district taxation at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued under Section 1053.251 as the bonds mature.

(b)  The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Sec. 1053.253.  GENERAL OBLIGATION BOND ELECTION.  (a)  The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held in accordance with the provisions of Chapter 1251, Government Code, relating to county bonds.

(b)  The commissioners court:

(1)  may call the election on its own motion; or

(2)  shall call the election at the request of the board.
(c) The person charged with conducting and arranging countywide elections is responsible for conducting the bond election.

(d) The district must provide for the payment of the bond election costs before the commissioners court is required to order an election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.254. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The county judge of Lubbock County shall execute the general obligation bonds in the district's name.

(b) The county clerk of Lubbock County shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.255. REFUNDING BONDS. (a) Refunding bonds may be issued without an election and in the manner provided by this subchapter to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding bonds; or

(2) exchanged wholly or partly for not less than a similar amount of outstanding bonds and the matured but unpaid interest on the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. TAXES

Sec. 1053.301. IMPOSITION OF AD VALOREM TAX. (a) The commissioners court shall impose a tax for the benefit of the district on all property in the district subject to district taxation.

(b) The commissioners court shall impose the tax to:
(1) pay the interest on and create a sinking fund for bonds assumed or issued by the district for hospital purposes as provided by this chapter;

(2) pay for indebtedness assumed by the district;

(3) provide for the operation and maintenance of the hospital or hospital system, including medical or other health facilities; and

(4) when requested by the board and approved by the commissioners court, make improvements and additions to the hospital system, including medical and other health facilities, and acquire necessary sites by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.302. TAX RATE. The commissioners court shall impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1053.303. COUNTY TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Lubbock County shall collect the taxes imposed on all property subject to district taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1054. LYNN COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1054.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Lynn County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1054.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Lynn County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1054.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large.  
(b) Directors serve staggered three-year terms.  
(c) An election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.  

Sec. 1054.052. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in the district.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.  

Sec. 1054.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:  
(1) signed by not fewer than 25 registered voters; and  
(2) filed before the 31st day before the date of the election.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.  

Sec. 1054.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:  
(1) a district resident; and  
(2) a qualified voter.  
(b) A district employee may not serve as a director.  

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1054.055. BOND; RECORD OF BOND. (a) Before assuming the
duties of office, each director must execute a bond for $5,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the
director's duties.

(b) The board may pay for a director's bond with district money.

(c) Each director's bond shall be kept in the district's permanent records.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.056. BOARD VACANCY. (a) If a vacancy occurs in the
office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than four
for any reason, the remaining directors shall immediately call a
special election to fill the vacancies. If the remaining directors
do not call the election, a district court, on application of a
district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.0565. REMOVAL OF DIRECTOR. (a) It is a ground for
removal from the board that a director:

(1) is absent from more than half of the regularly
scheduled board meetings that the director is eligible to attend
during a calendar year without an excuse approved by a majority vote
of the board; or
(2) fails to timely pay a federal, state, or local tax,
including an ad valorem tax.

(b) The validity of an action of the board is not affected by
the fact that it is taken when a ground for removal of a director
exists.

(c) If the administrator or manager of the hospital district
has knowledge that a potential ground for removal exists, the administrator or manager shall notify the president of the board of the potential ground. The president shall then notify the county attorney and district attorney that a potential ground for removal exists and request that the county or district attorney bring an action in the nature of quo warranto under Chapter 66, Civil Practice and Remedies Code, as appropriate. If the potential ground for removal involves the president, the administrator or manager shall notify the vice president of the board, who shall then notify the county attorney and district attorney that a potential ground for removal exists and request an action in the nature of quo warranto.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.019, eff. September 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 479 (S.B. 524), Sec. 2, eff. September 1, 2009.
Acts 2009, 81st Leg., R.S., Ch. 591 (H.B. 118), Sec. 2, eff. September 1, 2009.

Sec. 1054.057. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.058. EXPENSES. A director or officer may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1054.059. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.060. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.

(e) The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors and employ any technicians, nurses, and other employees the board considers necessary for the
efficient operation of the district.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may provide that the district administrator has the authority to hire district employees, including technicians and nurses.

(d) The board may define the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.063. RECRUITMENT OF MEDICAL STAFF. The board may spend district money to recruit physicians, nurses, and other trained medical personnel. The board may pay the tuition or other education-related costs or expenses of a person who:

(1) graduates from a medical school, nursing school, or an institution of higher education; and

(2) contractually agrees to become a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.064. CONTINUING EDUCATION; RETRAINING. The board may spend district money for continuing education and retraining of district employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.065. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 1054.101.  DISTRICT RESPONSIBILITY.  The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.

Sec. 1054.102.  RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT.  A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Sec. 1054.103.  MANAGEMENT, CONTROL, AND ADMINISTRATION.  The board shall manage, control, and administer the district's hospitals and hospital system.

Sec. 1054.104.  HOSPITAL SYSTEM.  The district shall provide for the establishment of a hospital or hospital system in the district by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements;
(2) equipping the buildings and improvements; and
(3) administering the buildings and improvements for hospital purposes.
Sec. 1054.105. RULES. The board may adopt rules for the operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district in a manner consistent with Subtitle C, Title 8, Local Government Code; and

(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.  
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system. Nothing in this chapter prohibits the establishing and equipping of a clinic as part of the hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.108. EMINENT DOMAIN.  (a) The district may exercise
the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.110. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount prescribed by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1054.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. (a) The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district inhabitants.

(b) The board may contract with this state or a federal agency for the care and treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.113. PROVISION OF CERTAIN HEALTH SERVICES. The board may provide emergency services, home health care services, long-term health care services, special care facility services, or any other health care services the board determines are necessary to meet the needs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.
(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.115. REIMBURSEMENT FOR SERVICE. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of a county or the police chief of a municipality to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of the county or municipality and is not a resident of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1054.116. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1054.151. BUDGET. The district administrator shall prepare an annual budget for approval by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.

(c) The board must approve the annual budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.155. FISCAL YEAR. The district operates on a fiscal
year that begins on October 1 and ends on September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.156. AUDIT. The board shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) District money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to the place or places designated as agent for the payment of principal of and interest on the district's outstanding bonds in time for the agent to make that payment on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not
insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being designated as a depository bank.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.160. SPENDING AND INVESTMENT RESTRICTIONS. Except as otherwise provided by Section 1054.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board declares that:

(1) money is not available to meet authorized obligations of the district; and

(2) an emergency exists.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) The board may not spend money obtained from a loan under this section for any purpose other than:
(1) the purpose for which the board declared an emergency; and

(2) if district taxes or bonds are pledged to pay the loan, the purpose for which the pledged taxes were imposed or the pledged bonds were authorized.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER E. BONDS**

Sec. 1054.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1054.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.2025. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.
(b) The order calling the election shall provide for clerks as in county elections and must specify:

1. the date of the election;
2. the location of the polling places;
3. the presiding and alternate election judges for each polling place;
4. the amount of the bonds to be authorized;
5. the maximum interest rate of the bonds; and
6. the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 902 (S.B. 1908), Sec. 1, eff. June 18, 2015.

Sec. 1054.203. REVENUE BONDS. (a) The board may issue revenue bonds to:

1. purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes;
2. acquire sites to be used for hospital purposes; or
3. acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.204. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness.

(b) A refunding bond may be:

1. sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or
exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.205. MATURITY OF BONDS. District bonds must mature not later than the 50th anniversary of the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.206. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.207. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1054.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.
(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1054.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1055. MARION COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1055.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Marion County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution.
Sec. 1055.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Marion County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1055.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.052. NOTICE OF ELECTION. Not later than the 10th day before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in
Sec. 1055.053. QUALIFICATIONS FOR OFFICE. A person may not be elected or appointed as a director unless the person is a district resident.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

   (1) payable to the district; and
   (2) conditioned on the faithful performance of the director's duties.

   (b) The district shall pay for the directors' bonds.

   (c) Each director's bond and the constitutional oath or affirmation of office shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

   (b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1055.056. DIRECTOR RIGHTS AND RESPONSIBILITIES. All directors have the same rights and responsibilities with regard to voting and other matters.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.057. OFFICERS. The board shall elect from among its members a president and a secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.058. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by a majority of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.059. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.060. EMPLOYEES. The board may employ a general manager, attorneys, bookkeepers, architects, or any other employees considered necessary for the efficient operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1055.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1055.054, all district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:
   (1) maintained at the district office; and
   (2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.062. SEAL. The board may adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1055.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Marion County or a municipality in the district may not impose a tax on property in the district for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.103. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.
   (b) On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.
Sec. 1055.104. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and

(2) the method of purchasing necessary supplies, materials, and equipment.

Sec. 1055.105. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Sec. 1055.106. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered
by the board for the purposes and under the directions, limitations, or provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.107. AUTHORITY TO LEASE DISTRICT FACILITIES. (a) The district may lease district facilities acquired or constructed under this chapter to any person for consideration the board determines is reasonable and adequate.

(b) The terms of a lease entered under this section may include a provision that requires the lessee to:

(1) agree to maintain the district's hospital facilities;
or

(2) care for and treat the indigent or needy patients of Marion County.

(c) If a lease under this section includes a provision described by Subsection (b)(2), Marion County may:

(1) spend money and make payments to the lessee for the care and treatment;

(2) impose ad valorem taxes; or

(3) pledge any of the county's money or resources to payments made under the contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.108. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the
amount of the costs that cannot be paid becomes a charge against the district.

(c) If the board determines that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue an appropriate order.

(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.109. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1055.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:
   (1) proposed expenditures and disbursements;
   (2) estimated receipts and collections; and
   (3) the amount of taxes required to be imposed for the year.
Sec. 1055.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.  
(b) Notice of the hearing must be published at least once in a newspaper of general circulation in Marion County not later than the 10th day before the date of the hearing.  
(c) Any district taxpayer is entitled to:  
  (1) appear at the time and place designated in the notice;  
and  
  (2) be heard regarding any item included in the proposed budget.

Sec. 1055.153. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Sec. 1055.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the fiscal year.  
(b) Not later than December 31 each year, the audit shall be filed:  
  (1) with the comptroller; and  
  (2) at the district office.

Sec. 1055.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank in Marion County as the district's depository or treasurer. A designated bank serves for two years.
until a successor is designated.

(b) All income received by the district shall be deposited with the district depository.

(c) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS AND OTHER FINANCIAL ARRANGEMENTS

Sec. 1055.201. GENERAL OBLIGATION BONDS AND OTHER FINANCIAL ARRANGEMENTS. The board may issue and sell general obligation bonds, secure long-term loans, or make other financial arrangements as district obligations in the name and on the faith and credit of the district. The money shall be used for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements;

(2) equipping buildings or improvements for hospital purposes; and

(3) the operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.202. TAX TO PAY GENERAL OBLIGATION BONDS OR OTHER FINANCIAL ARRANGEMENTS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued or other financial arrangements made under Section 1055.201 as the bonds or other arrangements mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.203. ELECTION FOR GENERAL OBLIGATION BONDS OR OTHER
FINANCIAL ARRANGEMENTS.  (a) The district may issue general obligation bonds or make other financial arrangements secured by tax revenue only if authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order the election on its own motion.

(c) The order calling the election must specify:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the presiding election officers;
   (4) the purpose for which the bonds are to be issued or the financial arrangements made;
   (5) the amount of the bonds or other financial arrangements to be authorized;
   (6) the maximum interest rate for the bonds or other financial arrangements; and
   (7) the maximum maturity of the bonds.

(d) Notice of an election under this section shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Marion County once a week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.204.  EXECUTION OF GENERAL OBLIGATION BONDS.  (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.205.  REVENUE BONDS; OTHER FINANCIAL ARRANGEMENTS.  (a) The board may, without an election, issue revenue bonds or make other financial arrangements payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system. The district may use the money to:
(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.206. MATURITY OF BONDS. General obligation bonds and revenue bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1055.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:
(1) pay the interest on and create a sinking fund for bonds or other obligations issued or assumed by the district for hospital purposes;
(2) provide for the operation and maintenance of the district and hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1055.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.
Sec. 1055.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Marion County shall assess and collect taxes imposed by the district.

Sec. 1056.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of hospital managers of the district.
(2) "District" means the Martin County Hospital District.
(3) "Manager" means a member of the board.

Sec. 1056.002. AUTHORITY FOR OPERATION. The Martin County Hospital District operates in accordance with and has the powers and responsibilities provided by Section 9, Article IX, Texas Constitution.

Sec. 1056.003. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Martin County.
Sec. 1056.051. BOARD APPOINTMENT; TERM. (a) The board consists of six managers appointed by the Martin County Commissioners Court.

(b) Managers serve staggered two-year terms, with three managers appointed each year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.0515. QUALIFICATIONS FOR OFFICE. (a) To be qualified to serve as a manager, a person must be:

(1) a resident of the district; and

(2) a registered voter.

(b) A district employee may not serve as a manager.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.002(a), eff. September 1, 2011.

Sec. 1056.052. BOARD VACANCY. If a vacancy occurs in the office of manager, the remaining managers shall appoint a manager for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.053. NONATTENDANCE. The failure of a manager to attend three consecutive regular board meetings causes a vacancy in the manager's office unless the absence is excused by formal action of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.054. OFFICERS. (a) The board shall select from among the managers a chair and a vice chair.

(b) The board shall appoint a secretary, who need not be a manager.
(c) Each officer of the board serves a one-year term.

(d) The board shall fill a vacancy in a board office for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.002(b), eff. September 1, 2011.

Sec. 1056.055. COMPENSATION; EXPENSES. A manager serves without compensation but may be reimbursed for actual and necessary travel and other expenses incurred in the performance of the manager's duties as determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.056. QUORUM. A majority of the board present shall constitute a quorum for the transaction of business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.057. RECORDS OF PROCEEDINGS. The board shall require the secretary to keep suitable records of all proceedings of each board meeting in accordance with Subchapter B, Chapter 551, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.002(c), eff. September 1, 2011.

Sec. 1056.058. DISTRICT ADMINISTRATOR. (a) The board shall appoint a general manager qualified by training and experience as the
district administrator.

(b) The district administrator is entitled to receive the compensation determined by the board.

(c) The board may remove the district administrator at any time.

(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount of not less than $10,000 that:

(1) is conditioned on the administrator performing well and faithfully the administrator's required duties; and

(2) contains other conditions the board may require.

(e) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.002(d), eff. September 1, 2011.

Sec. 1056.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to the limitations prescribed by the board, the district administrator shall:

(1) perform the duties required by the board;

(2) supervise the work and activities of the district; and

(3) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.060. ASSISTANT ADMINISTRATOR. (a) The board may designate an assistant administrator to discharge a duty or function of the district administrator in the event of the administrator's incapacity, absence, or inability to discharge the duty or function.

(b) The assistant administrator shall post the bond required by board order.

(c) The assistant administrator is subject to the limitations prescribed by board order.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1056.061. LEGAL COUNSEL. The board may employ legal counsel to represent the district in all legal matters when the board considers the employment advisable.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.062. EMPLOYEES. The board shall authorize the district administrator to employ any employees as considered advisable for the efficient operation of the hospital or hospital system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.0625. EMPLOYMENT OF PHYSICIANS AND OTHER HEALTH CARE PROVIDERS. (a) The board may employ physicians or other health care providers as the board considers necessary for the efficient operation of the district.

(b) The board shall adopt and maintain policies to ensure that a physician employed under this section exercises independent medical judgment when providing care to patients at the hospital operated by the district. The policies adopted under this subsection must include policies relating to:

1. credentialing;
2. quality assurance;
3. utilization review;
4. peer review;
5. medical decision-making; and
6. due process.

(c) A physician employed by the district under this section is subject to the same standards and procedures regarding credentialing, peer review, quality of care, and privileges as a physician not employed by the district.

(d) The district shall give equal consideration regarding the issuance of credentials and privileges to physicians employed by the
hospital and physicians not employed by the district.

(e) A physician employed by the district shall retain independent medical judgment in providing care to patients at the hospital operated by the district and may not be penalized for reasonably advocating for patient care.

(f) This section may not be construed as altering, voiding, or prohibiting any relationship between a hospital and a physician, including a contract or arrangement with an approved nonprofit health corporation that is certified under Section 162.001(b), Occupations Code, and that holds a certificate of authority issued under Chapter 844, Insurance Code.

(g) A contract to employ a physician under this section may not include a covenant not to compete on termination of the contract.

(h) This section may not be construed to authorize the board to supervise or control the practice of medicine, as prohibited by Subtitle B, Title 3, Occupations Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.003(a), eff. September 1, 2011.

Sec. 1056.063. RETIREMENT PROGRAM. The board may:
(1) contract with this state or the federal government as necessary to establish or continue a retirement program for the benefit of district employees; or
(2) establish other retirement programs for the benefit of district employees as it considers necessary and advisable.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1056.101. DISTRICT RESPONSIBILITY. (a) The district shall admit patients to the hospital who are:
(1) district inhabitants; and
(2) able to pay for medical and hospital care.

(b) The district has full responsibility for providing medical and hospital care for:
(1) eligible needy district inhabitants who are not able to pay all or a part of the cost of the care; and
Sec. 1056.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Martin County or a municipality in the county may not impose a tax for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital or hospital system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.104. RULES. The board may adopt rules for the operation of the hospital or hospital system, including bylaws governing board proceedings.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.105. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

(b) The district shall pay the salaries and expenses necessarily incurred by the board or by an officer or agent of the board in performing a duty prescribed or required by this section or Section 1056.152.

(c) An officer, employee, or agent of the board shall perform any function or service prescribed by the board under this section or
Sec. 1056.106. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(2) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Sec. 1056.107. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Sec. 1056.108. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board may contract with:

(1) any county for the care and treatment of a sick or
injured person of that county; and
(2) this state or a federal agency for the care and
treatment of a sick or injured person for whom the state or agency is
responsible.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.109. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a
patient from Martin County is admitted to a district facility, the
district administrator shall have an inquiry made into the
circumstances of:
(1) the patient; and
(2) the patient's relatives who are legally liable for the
patient's support.

(b) If the district administrator determines that the patient
or those relatives cannot pay all or part of the costs of the care
and treatment in the hospital, the amount of the costs that cannot be
paid becomes a charge against the district.

(c) If the district administrator determines that the patient
or those relatives are liable for all or part of the costs of the
patient's care and treatment, the patient or those relatives shall be
ordered to pay to the district a specified amount each week for the
patient's care. The amount ordered must be proportionate to the
person's financial ability and may not exceed the usual and customary
charges for services rendered.

(d) The district administrator may collect the amount from the
estate of the patient, or the patient's relatives who are legally
liable for the patient's support, in the manner provided by law for
the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in
the mind of the district administrator, the county court shall hold a
hearing and, after calling witnesses, shall:
(1) resolve the dispute or doubt; and
(2) issue an appropriate order.

(f) Either party to the dispute may appeal the order to the
district court.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1056.110. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1056.151. BUDGET. (a) The district administrator, under the direction of the board, shall prepare an annual budget.

(b) The budget must be approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.152. ANNUAL AUDIT. As soon as practicable after the close of each fiscal year, the board shall have an audit made of the district's books and records for the fiscal year by an independent public accountant.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.153. FINANCIAL REPORT. (a) As soon as practicable after the close of each fiscal year, the district administrator shall prepare a report that includes:

(1) a complete sworn statement of:
   (A) all money and choses in action received by the administrator; and
   (B) how the money and choses in action were disbursed or otherwise disposed; and
(2) the details of district operation during the preceding fiscal year.

(b) The district administrator shall make the report to:
(1) the board; and
(2) the Martin County Commissioners Court.
Sec. 1056.154. DEPOSITORY. (a) Every two years, the board shall select one or more depositories for the district in the manner provided for securing county funds.

(b) All income received by the district shall be deposited with a district depository.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1056.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings and improvements for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.004(a), eff. September 1, 2011.

Sec. 1056.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) An ad valorem tax shall be imposed at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on bonds issued under Section 1056.201 as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.004(b),
Sec. 1056.203. GENERAL OBLIGATION BOND ELECTION.  (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board, in ordering the election, shall provide for clerks as in county elections and shall specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(c) The board shall give notice of the bond election in the manner provided by Section 1251.003, Government Code.

(d) Chapter 41, Election Code, does not apply to an election held under this section.

(e) The board shall declare the results of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.004(c), eff. September 1, 2011.

Sec. 1056.2035. REVENUE BONDS.  (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042,
Sec. 1056.204. REFUNDING BONDS. (a) Refunding bonds may be issued without an election and in the manner provided by this subchapter to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:
   (1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding bonds; or
   (2) exchanged wholly or partly for not less than a similar amount of outstanding bonds and the matured but unpaid interest on the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.205. EXECUTION OF BONDS. (a) The board's presiding officer shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1056.206. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1056.202 and revenue and other sources authorized by Section 1056.2035.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.005(a), eff. September 1, 2011.
Sec. 1056.207. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

1. any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
2. interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
3. costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   A. during an estimated period of acquisition or construction, not to exceed five years; and
   B. for one year after the project or facility is acquired or constructed;
4. costs related to the financing of the bond funds, including debt service reserve and contingency funds;
5. costs related to the bond issuance;
6. costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and
7. costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.005(a), eff. September 1, 2011.

Sec. 1056.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

1. pay the interest on and create a sinking fund for bonds assumed or issued by the district for hospital purposes as provided by this chapter;
2. provide for the operation and maintenance of the hospital or hospital system; and
3. make improvements and additions to the hospital system and acquire necessary sites for improvements and additions by purchase, lease, or condemnation.
Sec. 1056.252. TAX RATE. The board shall impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

Sec. 1056.253. TAX ASSESSOR-COLLECTOR. (a) Except as provided by Subsection (b), the Martin County tax assessor-collector shall collect the taxes imposed on all property subject to district taxation. 

(b) The district may appoint its own tax assessor-collector.

SUBCHAPTER G. DISSOLUTION

Sec. 1056.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters of the district voting in an election held for that purpose. 

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered district voters. 

(d) The order calling the election must state: 
(1) the nature of the election, including the proposition to appear on the ballot; 
(2) the date of the election; 
(3) the hours during which the polls will be open; and 
(4) the location of the polling places. 

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.
Sec. 1056.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.  
(b) The first publication of the notice must appear not later than the 35th day before the date of the election.

Sec. 1056.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Martin County Hospital District."

Sec. 1056.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.  
(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election on the question of dissolution.

Sec. 1056.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:  
(1) transfer the land, buildings, improvements, equipment,
and other assets that belong to the district to Martin County or another governmental entity in Martin County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.006(a), eff. September 1, 2011.

Sec. 1056.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.

(a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.006(a), eff. September 1, 2011.

Sec. 1056.307. REPORT; DISSOLUTION ORDER.

(a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Martin County summarizing the board's actions in dissolving the district.
(b) Not later than the 10th day after the date the Commissioners Court of Martin County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.006(a), eff. September 1, 2011.

CHAPTER 1057. MATAGORDA COUNTY HOSPITAL DISTRICT OF MATAGORDA COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1057.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of hospital managers of the district.
(2) "District" means the Matagorda County Hospital District of Matagorda County, Texas.
(3) "Manager" means a member of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.002. AUTHORITY FOR CREATION. The district of Matagorda County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.004. DISTRICT TERRITORY. The boundaries of the
district are coextensive with the boundaries of Matagorda County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1057.051. BOARD APPOINTMENT; TERM. (a) The board consists of not fewer than five and not more than seven managers appointed by the Matagorda County Commissioners Court.
(b) Managers serve two-year terms. The terms may overlap.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.052. OFFICERS. (a) The board shall select from among the managers a presiding officer who shall preside over the board.
(b) A presiding officer pro tem shall preside in the absence of the presiding officer.
(c) The district administrator or any manager may be appointed secretary.
Sec. 1057.053. COMPENSATION. A manager serves without pay.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.054. RECORDS OF PROCEEDINGS. (a) The secretary shall keep suitable records of all proceedings of each board meeting.
(b) After each meeting:
(1) the manager presiding at the meeting shall read and sign the record; and
(2) the secretary shall attest the record.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.055. DISTRICT ADMINISTRATOR. (a) The board shall appoint a general manager as the district administrator.
(b) The district administrator serves for a term not to exceed two years and is entitled to receive the compensation determined by the board.
(c) The board may remove the district administrator at any time.
(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount of not less than $10,000 that:
(1) is conditioned on the administrator performing well and faithfully the administrator's required duties; and
(2) contains other conditions the board may require.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.056. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district
administrator shall:

(1) perform the duties required by the board;
(2) supervise the work and activities of the district; and
(3) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.057. EMPLOYEES. (a) The board may employ doctors, technicians, nurses, and other employees considered advisable for the efficient operation of the hospital or hospital system.

(b) A contract or term of employment under Subsection (a) may not exceed two years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.058. RETIREMENT PROGRAM. With the approval of the Matagorda County Commissioners Court, the board may contract with this state or the federal government as necessary to establish or continue a retirement program for the benefit of district employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.059. SEAL. The board shall have a seal engraved with the district's name to authenticate the acts of the board. The secretary of the board shall keep the seal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1057.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants.
Sec. 1057.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision in Matagorda County, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospital or hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital or hospital system in the district to furnish medical and hospital care to district residents by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements for hospital purposes;
(2) equipping the buildings and improvements for those purposes; and
(3) administering the buildings and improvements for those purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.105. RULES. The board may adopt rules for the operation of the hospital or hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1057.106. LEASES. (a) The board may lease district property, including facilities or equipment, to individuals, companies, corporations, or other legal entities on terms the board determines further the district's purposes.

(b) The term of a lease under this section may not exceed 99 years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 549 (S.B. 1712), Sec. 1, eff. June 19, 2009.

Sec. 1057.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered
by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board, with the approval of the Matagorda County Commissioners Court, may contract with:

(1) a county for the care and treatment of a sick or injured person of that county; and

(2) this state or a federal agency for the care and treatment of a sick or injured person for whom the state or agency is responsible.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.110. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1057.151. AUDITOR. (a) The Matagorda County auditor is the auditor for the district.

(b) The auditor shall make any report and perform any accounting service reasonably incident or necessary to the proper conduct of the district's business.

(c) The auditor shall receive the compensation determined by the board after considering the amount and value of the services performed for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1057.152. DEPOSITORY. (a) The board by resolution shall designate a bank in the county as the district's depository. A designated bank serves for two years and until a successor is designated.

(b) All income received by the district shall be deposited with the district depository.

(c) The net revenue from the tax imposed under Section 1057.201 may be withdrawn as directed by the board.

(d) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.153. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate the board determines is reasonable.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) tax revenue to be collected by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds;

(3) district bonds that have been authorized but not sold; and

(4) any other unencumbered district assets.

(c) The board may use the proceeds of a loan made under this section only for the district's operational and capital requirements.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1057.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or
renovation of buildings or improvements; and
(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) An ad valorem tax shall be imposed at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued under Section 1057.201 as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting in an election held for that purpose.

(b) The board may order the election on its own motion.

(c) The order calling the election must specify:
(1) the date of the election;
(2) the location of the polling places;
(3) the presiding election officers;
(4) the purpose of the bond issuance;
(5) the amount of the bonds to be authorized;
(6) the maximum interest rate of the bonds; and
(7) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district once each week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.
Sec. 1057.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Sec. 1057.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board's presiding officer shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Sec. 1057.206. INVESTMENT OF GENERAL OBLIGATION BOND PROCEEDS. Until the proceeds from the sale of general obligation bonds are needed to carry out the bond purpose, the proceeds may be:

(1) invested in direct obligations of the United States; or

(2) placed on time deposit.

Sec. 1057.207. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

(e) An election is not required to authorize the issuance of revenue bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER F. TAXES**

Sec. 1057.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) meet the requirements of district bonds and indebtedness assumed by the district;

(2) provide for the district's maintenance and operation expenses;

(3) make improvements and additions to the district's hospitals or hospital system; and

(4) acquire necessary sites by gift, purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.252. TAX RATE. The board shall impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1057.253. TAX ASSessor-COLLECTOR. The tax assessor-collector of Matagorda County shall collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
CHAPTER 1058. MCCAMEY COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1058.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the McCamey County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.002. AUTHORITY FOR CREATION. The McCamey County Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the McCamey Independent School District, as those boundaries existed on January 1, 1967.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.005. CONSOLIDATION OF DISTRICT AND RANKIN COUNTY HOSPITAL DISTRICT. (a) The McCamey County Hospital District may be
consolidated into the Rankin County Hospital District as provided by this section.

(b) On the request of 25 percent or more of the qualified taxpaying voters of each hospital district, the commissioners court of Upton County shall submit the consolidation proposal for vote.

(c) Consolidation of the district and the Rankin County Hospital District must be separately approved by a two-thirds majority of the voters voting in each hospital district at an election ordered and held for that purpose.

(d) At the consolidation election, five directors shall be elected to serve the consolidated district.

(e) Not more than one consolidation election may be held after each general election.

(f) Refunding bonds may be issued by the consolidated district to refund any outstanding bonds, including bonds issued by the district on consolidation, original bonds, and refunding bonds. Additional funding may be provided as authorized by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 1058.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected by the district voters.

(b) Directors serve staggered four-year terms with the terms of two or three directors expiring each odd-numbered year as appropriate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 1, eff. June 14, 2013.

Sec. 1058.052. NOTICE OF ELECTION. Notice of an election of directors must be published in accordance with Section 4.003, Election Code, in a newspaper of general circulation in Upton County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1058.053. QUALIFICATIONS FOR OFFICE. (a) To qualify for election to the board, a person must:

(1) be at least 18 years of age;
(2) have been a resident of the district for at least two years; and
(3) be a qualified voter of the district.

(b) An elective or appointed officer of this state or a political subdivision, including Upton County, is not qualified for election to the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:

Sec. 1058.054. BOND; RECORD OF BOND AND OATH. (a) Each director shall qualify by executing a good and sufficient commercial bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) The district shall pay for a director's bond.

(c) Each director's bond and constitutional oath of office must be deposited with the district's depository bank for safekeeping.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.055. BOARD VACANCY. (a) The remaining directors by appointment shall fill a vacancy in the office of director.

(b) An appointed replacement serves until the next election for directors. An elected director serves only for the remainder of the
unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.056. OFFICERS. (a) The board shall elect a presiding officer.
   (b) A presiding officer pro tem shall preside in the absence of the presiding officer.
   (c) The district administrator or any director may be appointed secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.057. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.058. RECORDS OF PROCEEDINGS. (a) The board shall require the board secretary to keep suitable records of all proceedings of each board meeting.
   (b) After each meeting:
       (1) the member presiding at the meeting shall read and sign the record; and
       (2) the board secretary shall attest the record.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.059. DISTRICT ADMINISTRATOR. (a) The board shall appoint a qualified person to serve as the district administrator.
   (b) The district administrator may not be a director.
   (c) The district administrator receives the compensation determined by the board.
(d) The district administrator serves at the pleasure of the board, and the board may remove the district administrator at any time.

(e) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount of not less than $10,000 that:

(1) is conditioned on the administrator performing well and faithfully the administrator's required duties; and

(2) contains any other condition the board requires.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 4, eff. June 14, 2013.

Sec. 1058.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator shall:

(1) perform the duties required by the board;

(2) supervise the work and activities of the district; and

(3) direct the affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.061. ASSISTANT TO DISTRICT ADMINISTRATOR. (a) The board may designate an assistant to the district administrator to discharge a duty or function of the administrator in the event of the administrator's incapacity, absence, or inability to discharge the duty or function.

(b) The assistant shall post the bond required by board order.

(c) The assistant is subject to any limitations prescribed by board order.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1058.062. LEGAL COUNSEL. The board may employ legal counsel to represent the district in all legal matters.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.063. RETIREMENT PROGRAM. (a) With the approval of the commissioners court of Upton County, the board may contract with this state or the federal government as necessary to establish or continue a retirement program for the benefit of district employees.

(b) The board may establish other retirement programs for the benefit of district employees as it considers necessary and advisable.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.064. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. All district records, including books, accounts, notices, and minutes, and all other matters of the district and the operation of its facilities shall be:

(1) maintained at the district office; and

(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.065. SEAL. The board shall have a seal engraved with the district's name to authenticate the board's acts. The board secretary shall keep the seal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1058.101. DISTRICT RESPONSIBILITY. The district has full
responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION. Any part of a county or a municipality, any part of which is in the district, may not impose a tax for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.103. MANAGEMENT AND CONTROL OF DISTRICT. The management and control of the district is vested in the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.104. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory if the interest is necessary or convenient to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond otherwise required for the issuance of a temporary restraining order or a temporary injunction; or

(2) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1058.105. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under any directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.106. CONSTRUCTION CONTRACTS. (a) The board, on behalf of the district, may enter into a construction contract that exceeds the amount provided by Section 271.024, Local Government Code, only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code.

(b) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 330, Sec. 13, eff. June 14, 2013.

(c) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 330, Sec. 13, eff. June 14, 2013.

(d) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 330, Sec. 13, eff. June 14, 2013.

(e) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 330, Sec. 13, eff. June 14, 2013.

(f) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 330, Sec. 13, eff. June 14, 2013.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 5, eff. June 14, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 6, eff. June 14, 2013.
Sec. 1058.107. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. With the approval of the commissioners court of Upton County, the board may contract with:

(1) a county other than Upton County for the care and treatment of sick or injured persons of that county; and

(2) this state or a federal agency for the care and treatment of a sick or injured person for whom this state or the federal government is responsible.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.108. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient from the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the expense of that care becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives are liable to pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute, or a doubt in the district administrator's mind, as to the ability to pay, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and

(2) issue any appropriate order.
(f) Either party to the dispute may appeal the district's order to the district court. The appeal is by trial de novo as that term is used in appeals from the justice courts to the county courts.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.109. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in the district's own name in any court of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1058.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:

1. proposed expenditures and disbursements;
2. estimated receipts and collections; and
3. the amount of taxes required to be imposed for the year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in Upton County not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to:
1. appear at the time and place designated in the notice; and
2. be heard regarding any item included in the proposed budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1058.153. FISCAL YEAR. (a) The district's fiscal year begins on October 1 and ends on September 30, unless otherwise established by the board.

(b) The fiscal year may not be changed:
   (1) during a period that revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 8, eff. June 14, 2013.

Sec. 1058.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the preceding fiscal year.

(b) Not later than December 31 of each year, the audit shall be filed:
   (1) with the county clerk of Upton County; and
   (2) at the district office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.155. FINANCIAL REPORT. (a) The board and the district administrator shall annually prepare a report under oath that includes:
   (1) a complete statement of:
      (A) all money and choses in action; and
      (B) how the money and choses in action were disbursed or otherwise disposed;
   (2) the details of district operation during the preceding fiscal year; and
(3) a full and complete list of all delinquent accounts
owing and due the district, including names and addresses of
delinquent debtors.

(b) The report shall be filed in:
   (1) the district office; and
   (2) the office of the county clerk of Upton County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1058.156. DEPOSITORY. (a) The board shall designate one
or more banks to serve as a depository for district money.

(b) All district money, other than money invested in accordance
with Chapter 2256, Government Code, and money transmitted to a bank
for payment of bonds or obligations issued or assumed by the
district, shall be immediately deposited on receipt with a depository
bank.

(c) To the extent that money in a depository bank is not
insured by the Federal Deposit Insurance Corporation, the money must
be secured in the manner provided by law for the security of county
funds.

(d) Membership on the district's board of an officer or
director of a bank does not disqualify that bank from being
designated as depository.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 9, eff.
June 14, 2013.

SUBCHAPTER E. BONDS

Sec. 1058.201. GENERAL OBLIGATION BONDS. The board may issue
and sell general obligation bonds in the name and on the faith and
credit of the district for any purpose relating to the purchase,
construction, acquisition, repair, or renovation of buildings or
improvements and equipping buildings or improvements for hospital
purposes.
Sec. 1058.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued under Section 1058.201 as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Sec. 1058.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election on its own motion.

(c) The order must specify:
   (1) the location of the polling places;
   (2) the presiding election officers;
   (3) the purpose for which the bonds are to be issued;
   (4) the amount of the bonds;
   (5) the maximum interest rate of the bonds; and
   (6) the maximum maturity date of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order in a newspaper of general circulation in the district once each week for two consecutive weeks before the date of the election. The first publication must occur at least 20 days before the date set for the election.
the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board's presiding officer shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings and improvements for hospital purposes; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system, including district facilities.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 10, eff. June 14, 2013.

Sec. 1058.207. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the indebtedness to be refunded; or

(2) exchanged wholly or partly for not less than a similar
principal amount of outstanding indebtedness.

Added by Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 10, eff. June 14, 2013.

Sec. 1058.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1058.202 and revenue and other sources as authorized by Section 1058.206.

Added by Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 10, eff. June 14, 2013.

Sec. 1058.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) construction costs of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 10,
Sec. 1058.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the budget, the board shall impose a tax on all taxable property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds issued or assumed by the district for hospital purposes as provided by this chapter;

(2) provide for the maintenance and operation of the hospital or hospital system;

(3) make improvements and additions to the district's hospital system; and

(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.252. TAX RATE. The board shall impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1058.253. TAX ASSESSOR-COLLECTOR. The board may:

(1) appoint a tax assessor-collector for the district; or

(2) contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 11, eff. June 14, 2013.
SUBCHAPTER G. DISSOLUTION

Sec. 1058.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:
   (1) the nature of the election, including the proposition to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.

Added by Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 12, eff. June 14, 2013.

Sec. 1058.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 12, eff. June 14, 2013.

Sec. 1058.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the McCamey County Hospital District."

Added by Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 12, eff. June 14, 2013.
Sec. 1058.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election on the question of dissolution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 12, eff. June 14, 2013.

Sec. 1058.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Upton County or another governmental entity in Upton County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 12, eff. June 14, 2013.

Sec. 1058.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of
the district, the board shall order the secretary to return to each
district taxpayer the taxpayer's pro rata share of all unused tax
money.

(c) A taxpayer may request that the taxpayer's share of surplus
tax money be credited to the taxpayer's county taxes. If a taxpayer
requests the credit, the board shall direct the secretary to transmit
the money to the county tax assessor-collector.

Added by Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 12,
eff. June 14, 2013.

Sec. 1058.307. REPORT; DISSOLUTION ORDER. (a) After the
district has paid all district debts and has disposed of all district
money and other assets as prescribed by this subchapter, the board
shall file a written report with the Commissioners Court of Upton
County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the
Commissioners Court of Upton County receives the report and
determines that the requirements of this subchapter have been
fulfilled, the commissioners court shall enter an order approving
dissolution of the district and releasing the board from any further
duty or obligation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 330 (H.B. 1969), Sec. 12,
eff. June 14, 2013.

CHAPTER 1059. MCCULLOCH COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1059.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the McCulloch County Hospital
District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1059.002. AUTHORITY FOR OPERATION. The district operates
and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of McCulloch County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1059.051. BOARD ELECTION; TERMS. (a) The district is governed by a board of seven directors.
(b) One director is elected from each commissioners precinct and three directors are elected from the district at large.

(c) Directors serve staggered three-year terms.

(d) An election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in accordance with Section 4.003, Election Code, in a newspaper with general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
    Acts 2013, 83rd Leg., R.S., Ch. 328 (H.B. 1920), Sec. 1, eff. June 14, 2013.

Sec. 1059.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

    (1) a district resident;
    (2) a qualified voter; and
    (3) able to obtain a bond as prescribed by Section 1059.054.

    (b) In addition to Subsection (a), a person who is elected from a commissioners precinct or who is appointed to fill a vacancy for a commissioners precinct must be a resident of that commissioners precinct.

    (c) A district employee or member of the district's medical staff may not serve as a director.

    (d) A person formerly employed by the district may not serve as a director before the second anniversary of the date of the termination of that person's employment by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1059.054. BOND; RECORD OF BOND. (a) Before assuming the
duties of office, each director must execute a bond for $5,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the
director's duties.

(b) Each director's bond shall be kept in the district's
permanent records.

(c) The director shall obtain the bond from an insurer
authorized to engage in business in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1059.055. BOARD VACANCY. If a vacancy occurs in the
office of director, the remaining directors shall appoint a director
for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1059.056. OFFICERS. (a) The board shall elect a
president and a vice president from among its members.

(b) The board shall appoint a secretary, who need not be a
director.

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office for the
unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1059.057. COMPENSATION; EXPENSES. A director or officer
serves without compensation but may be reimbursed for actual expenses
incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.
Sec. 1059.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Sec. 1059.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) Before assuming the duties of district administrator, the administrator shall execute a bond in the amount determined by the board of not less than $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The bond shall be kept in the district's permanent records.

(e) The district administrator shall obtain the bond from an insurer authorized to engage in business in this state.

(f) The board may pay for the bond with district money.

Sec. 1059.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.
Sec. 1059.061. EMPLOYEES; APPOINTMENT AND REMOVAL OF STAFF.  
(a) The board may:  
(1) appoint to or remove from the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary; and  
(2) adopt policies relating to the method of appointing and removing staff members.  
(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, attorneys, and other necessary employees.  
(c) The board may delegate to the district administrator the authority to employ persons for the district.  
(d) The district may not employ a person who is related to a director within the second degree by consanguinity or affinity, as determined under Subchapter B, Chapter 573, Government Code, during that director's term of office. A district employee who is related to a person elected as a director within the second degree by consanguinity or affinity shall resign from employment when that director takes office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.062. RECRUITMENT OF MEDICAL STAFF AND PROFESSIONAL PERSONNEL.  The board may use innovative methods to recruit physicians, nurses, technicians, and other professional personnel, including:  
(1) scholarship programs;  
(2) agreements for future services;  
(3) shared personnel;  
(4) bonuses; and  
(5) any other method the district considers necessary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.063. RETIREMENT BENEFITS.  The board may provide retirement benefits for district employees by:  
(1) establishing or administering a retirement program; or  
(2) participating in:
(A) the Texas County and District Retirement System; or
(B) another statewide retirement system in which the
district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 1059.101. DISTRICT RESPONSIBILITY. The district has full
responsibility for:
(1) operating hospital facilities; and
(2) providing medical and hospital care for the district's
needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1059.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION
AND DEBT. McCulloch County, the City of Brady, and the McCulloch
County Hospital Authority may not impose a tax or issue bonds or
other obligations for hospital purposes or to provide medical care
for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1059.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The
board shall manage, control, and administer the hospital system and
the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1059.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district
staff and employees.
Sec. 1059.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method of making purchases and expenditures by and for the district; and

(2) accounting and control procedures for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.106. MOBILE EMERGENCY MEDICAL OR AIR AMBULANCE SERVICE. The district may operate or provide for the operation of a mobile emergency medical or air ambulance service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.107. DISTRICT PROPERTY, FACILITIES, EQUIPMENT, AND SERVICES. (a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.

(b) The district has complete discretion as to the type and extent of services the district will offer. The district may provide any services or facilities the board finds necessary for hospital or medical care, including:

(1) facilities for domiciliary care, including geriatric domiciliary care;
(2) outpatient clinics;
(3) dispensaries;
(4) convalescent home facilities;
(5) necessary nurses;
(6) domiciliaries and training centers;
(7) blood banks;
(8) community mental health centers;
(9) alcohol or chemical dependency centers;
(10) minor emergency centers;
(11) research centers; or
(12) laboratories.

(c) The board may:

(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.

(d) The board may lease hospital facilities for the district.

(e) The board may sell or otherwise dispose of property, including facilities or equipment, for the district at public or private sale at the price and terms the board considers most advantageous.

(f) The board by resolution may order the lease of a hospital or other facility owned by the district to any person. The resolution must include a finding by the board that the lease of the hospital or facility is in the best interest of the residents of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 328 (H.B. 1920), Sec. 2, eff. June 14, 2013.

Sec. 1059.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the property interest is necessary to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.111. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1059.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical or air ambulance service; or
(2) provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; or
(2) a relative of the patient who is legally responsible for the patient's support.

(b) As required by Section 9, Article IX, Texas Constitution, the district without charge shall provide to a patient who resides in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.
(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative who was legally responsible for the patient's support in the manner provided by law for collection of expenses of the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:

1. call witnesses;
2. issue subpoenas and subpoenas duces tecum;
3. administer oaths;
4. hear and resolve the question; and
5. issue a final order.

(f) A final order of the board may be appealed to a district court in McCulloch County. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.115. POLICIES OR RULES ON INDIGENT HEALTH CARE. (a) The district may adopt, amend, or repeal policies or rules relating to indigent health care that include:

1. eligibility of patients for indigent health care;
2. application forms for patients or relatives of patients requesting indigent health care that may require personal and financial information to be furnished;
3. procedures for obtaining and completing applications for indigent health care and for filing the completed applications with the district;
4. procedures for reviewing applications to determine eligibility for indigent health care; and
5. other procedures provided by this section and Section 1059.116.

(b) The application procedure to determine eligibility for indigent health care must be adopted not later than the beginning of each operating year and must comply with Chapter 61, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1059.116. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of McCulloch County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of McCulloch County and is not a district resident.

(c) The board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.117. AUTHORITY TO SUE AND BE SUED. (a) The board may sue and be sued on behalf of the district.

(b) The district may assert any defense or counterclaim the McCulloch County Hospital Authority could have asserted related to any debt that was:

(1) incurred by the authority for hospital purposes; and
(2) assumed by the district on the district's creation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1059.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand in each district fund;
(3) the amount of money received by the district from all
sources during the previous year;
   (4) the amount of money available to the district from all
   sources during the ensuing year;
   (5) the amount of the balances expected at the end of the
   year in which the budget is being prepared;
   (6) the estimated amount of revenue and balances available
   to cover the proposed budget; and
   (7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The
   board shall hold a public hearing on the proposed annual budget.
   (b) The board shall publish notice of the hearing in a
   newspaper of general circulation in the district not later than the
   10th day before the date of the hearing.
   (c) Any district resident is entitled to be present and
   participate at the hearing.
   (d) At the conclusion of the hearing, the board shall adopt a
   budget by acting on the budget proposed by the district
   administrator. The board may make any changes in the proposed budget
   that the board judges to be in the interests of the taxpayers.
   (e) The budget is effective only after adoption by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.153. AMENDMENTS TO BUDGET. After adoption, the
   annual budget may be amended on the board's approval.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.154. RESTRICTION ON EXPENDITURES. Money may be spent
   only for an expense included in the budget or an amendment to the
   budget.
Sec. 1059.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board. (b) The fiscal year may not be changed: (1) when revenue bonds of the district are outstanding; or (2) more than once in a 24-month period.

Sec. 1059.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Sec. 1059.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the district's principal office.

Sec. 1059.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board: (1) a sworn statement of the amount of district money; and (2) an account of the disbursements of that money.

Sec. 1059.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.
(b) District money, other than money invested as provided by Section 1059.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and must remain on deposit. This subsection does not limit the power of the board to place a portion of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1059.111, 1059.201, 1059.204, and 1059.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.161. AUTHORITY TO BORROW MONEY. (a) The district may borrow money for district operating expenses in an amount not to exceed the amount of tax revenue the district expects to receive during the 12-month period following the date the money is borrowed.

(b) The district may pledge all or any part of that tax revenue to repay the amount borrowed.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER E.  BONDS  
Sec. 1059.201.  GENERAL OBLIGATION BONDS.  The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:  
(1) purchase, construct, acquire, repair, or renovate buildings or improvements;  
(2) equip buildings or improvements for hospital purposes; or  
(3) acquire and operate a mobile emergency medical or air ambulance service.  
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.  

Sec. 1059.202.  TAX TO PAY GENERAL OBLIGATION BONDS.  (a)  At the time general obligation bonds are issued by the district under Section 1059.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.  
(b)  The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.  
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.  

Sec. 1059.203.  GENERAL OBLIGATION BOND ELECTION.  (a)  The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.  
(b)  The board may order a bond election.  
(c)  The order calling the election must specify:  
(1) the nature and date of the election;  
(2) the hours during which the polls will be open;  
(3) the location of polling places;  
(4) the amount of the bonds to be authorized; and  
(5) the maximum maturity of the bonds.  
(d)  Notice of a bond election shall be given as provided by
Section 1251.003, Government Code.

(e) The board shall declare the results of the bond election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes, including the purposes described by Section 1059.107;

(2) acquire sites to be used for hospital purposes; or

(3) acquire and operate a mobile emergency medical or air ambulance service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1059.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.
   (b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
   (1) bonds issued by the district;
   (2) any transaction relating to the bonds; and
   (3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. AD VALOREM TAX

Sec. 1059.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.
   (b) The tax may be used to pay:
       (1) indebtedness issued or assumed by the district; and
       (2) the maintenance and operating expenses of the district.
   (c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1059.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1059.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by a number of district residents equal to at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:
   (1) the nature of the election, including the proposition to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.
Sec. 1059.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks the election order in a newspaper with general circulation in the district.

(b) The first publication of notice must appear not later than the 35th day before the date set for the election.

Sec. 1059.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the McCulloch County Hospital District."

Sec. 1059.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Sec. 1059.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment,
and other assets that belong to the district to McCulloch County or another governmental entity in McCulloch County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) The district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of the district's assets or liabilities may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(d) The district may not transfer or dispose of the district's assets except for due compensation unless:

(1) the transfer is made to another governmental entity that serves the district; and

(2) the transferred assets are to be used for the benefit of district residents.

(e) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1059.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and
(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1059.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of McCulloch County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of McCulloch County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1060. MENARD COUNTY HOSPITAL DISTRICT OF MENARD COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1060.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Menard County Hospital District of Menard County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.002. AUTHORITY FOR CREATION. The district of Menard County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.003. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Menard County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1060.051. BOARD ELECTION; TERM. (a) The board consists
of five directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.052. NOTICE OF ELECTION. At least 30 days before the date of an election of directors, notice of the election shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.053. QUALIFICATIONS FOR OFFICE. To qualify for election to the board, a person must:

(1) be at least 21 years of age;
(2) have been a district resident for at least two years; and
(3) be a qualified voter of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall qualify for office by executing a good and sufficient commercial bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) The district shall pay for a director's bond.

(c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository for safekeeping.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:
  Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.020, eff. September 1, 2009.

Sec. 1060.055. BOARD VACANCY. If a vacancy occurs in the office of director, a majority of the directors shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.056. OFFICERS. The board shall elect from among its members a president, a secretary, and a treasurer at the first meeting of the board after each directors' election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.057. COMPENSATION; EXPENSES. A director serves without compensation but is entitled to reimbursement for necessary expenses incurred in the performance of official duties.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.058. DISTRICT ADMINISTRATOR. (a) The board may employ a district administrator to manage the operations of the hospital system.

  (b) The district administrator may employ necessary personnel to perform the services provided by the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.059. EMPLOYEES. The board may employ an attorney, general manager, bookkeeper, architect, and other employees necessary
for the efficient operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. The board shall:

(1) maintain all district records, including books, accounts, notices, minutes, and other matters of the district and its operation, at the district office; and

(2) make those records available for public inspection at reasonable times.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1060.101. DISTRICT RESPONSIBILITY. The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations to provide hospital service or medical care in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.103. MANAGEMENT AND CONTROL OF DISTRICT. The board has full power to manage and control the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1060.104. HOSPITAL SYSTEM. The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.105. RULES. (a) The board shall adopt rules for the efficient operation of the district, including district facilities.

(b) The board shall:

(1) publish the rules in book form; and

(2) provide copies to interested persons on request at district expense.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in real, personal, or mixed property located in district territory if the interest is necessary or convenient for the district to exercise a power or duty conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding, the district is not required to:
(1) pay in advance or provide a bond or other security for costs in the trial court; or
(2) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.109. CONTRACTS FOR HOSPITAL AND MEDICAL CARE. The board may contract with another political subdivision to provide hospital and medical care for needy persons who reside outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A person who resides in the district is entitled to receive necessary medical and hospital care regardless of whether the person has the ability to pay for the care and may apply to receive this care without cost.

(b) The board or the district administrator shall employ a person to investigate the ability of the patient and any relative who is liable for the patient's support to pay for the medical and hospital care received by the patient.

(c) If the investigator determines that the patient or relative legally liable for the patient's support cannot pay all or part of the costs of the patient's care, the expense of the care becomes a charge against the district.
(d) If the patient or a relative legally liable for the patient's support can pay for all or part of the costs of the patient's care, the board shall order the patient or relative to pay the treasurer each week an amount specified in the order, which must be proportionate to the person's ability to pay.

(e) The district may collect the amount from the patient's estate, or from any relative who is liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the investigator, the board shall hold a hearing and, after calling witnesses, shall:

1. determine the question; and
2. make the proper order based on the board's findings.

(g) A party to the hearing who is not satisfied with the result of the order may appeal to the district court in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1060.151. BUDGET. The board shall prepare a budget that includes:

1. proposed expenditures and disbursements;
2. estimated receipts and collections for the next fiscal year; and
3. the amount of taxes required to be imposed to meet the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 11th day before the date of the hearing.

(c) Any person who owns taxable property in the district and has rendered that property for taxation is entitled to:
(1) appear at the hearing; and
(2) be heard regarding any item in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.153. FISCAL YEAR. The district's fiscal year is from October 1 to September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.154. ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.
(b) Not later than December 1 of each year, the board shall file a copy of the audit with:
(1) the comptroller; and
(2) the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.155. DEPOSITORY. (a) The board by resolution shall designate a bank in Menard County as the district's depository. A designated bank serves for two years until a successor is designated.
(b) All district money shall be deposited in the district's depository and secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.201. BONDS. The district may issue bonds to:
(1) purchase, construct, acquire, repair, or renovate buildings and improvements; and
(2) equip buildings for hospital purposes.
Sec. 1060.202. TAX TO PAY BONDS. The board may issue bonds under Section 1060.201 only if the board imposes an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.203. BOND ELECTION. (a) The board may issue bonds under Section 1060.201 only if the bonds are authorized by a majority of district voters voting in an election held for that purpose. The total face value of the bonds may not exceed the amount specified in the election order.

(b) The board may order a bond election at any time.

(c) The order calling the election must include:
   (1) the time of the election;
   (2) the location of the polling places;
   (3) the form of the ballots;
   (4) the presiding judge for each polling place;
   (5) the purpose of the bond issuance;
   (6) the amount of the bonds to be authorized;
   (7) the maximum interest rate of the bonds; and
   (8) the maximum maturity date of the bonds.

(d) A substantial copy of the election order shall be published in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first notice must be published not later than the 15th day before the date of the election.

(e) A copy of the election results must be filed with the county clerk and become a public record.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.204. MATURITY OF BONDS. District bonds must mature
not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.205. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1060.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used only to:

(1) pay the interest on and create a sinking fund for bonds issued under this chapter;

(2) provide for the operation and maintenance of the district and hospital system;

(3) make improvements and additions to the hospital system; or

(4) acquire sites for additions to the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1060.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Menard County shall collect taxes for the district.
CHAPTER 1061. MIDLAND COUNTY HOSPITAL DISTRICT OF MIDLAND COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1061.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Midland County Hospital District of Midland County, Texas.

Sec. 1061.002. AUTHORITY FOR CREATION. The Midland County Hospital District of Midland County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution.

Sec. 1061.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Sec. 1061.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Midland County, Texas, as the boundaries existed on May 4, 1977.
Sec. 1061.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1061.051. BOARD ELECTION; TERM. (a) The board is governed by a board of seven directors elected from single-member districts.

(b) Directors serve staggered four-year terms.

(c) An election of directors shall be held in each even-numbered year on the November uniform election date under Section 41.001, Election Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.052. ALTERNATIVE DIRECTOR ELECTION. (a) The board on its own motion may order that not fewer than 50 percent of the directors be elected from single-member districts with the remaining
directors elected from the district at large.

(b) Before entering an order under Subsection (a), the board must:

(1) hold a public hearing at which registered district voters may comment on whether they favor electing directors in the manner proposed by the board; and

(2) publish notice of the hearing in a newspaper with general circulation in the district not later than the seventh day before the date of the hearing.

(c) An order adopted under Subsection (a) must be entered not later than the 120th day before the date of the first election at which directors are elected in the manner provided by the order. Not later than the 90th day before the date of the first election at which directors are elected in the manner provided by the order, the board shall:

(1) divide the district into the appropriate number of single-member districts, based on the number of directors to be elected from the single-member districts and number each single-member district; and

(2) determine by lot the order in which the positions will be filled.

(d) The single-member districts must be:

(1) compact and contiguous; and

(2) as nearly as practicable of equal population according to the most recent federal census.

(e) If the data from the most recent federal census indicates that the population of the most populous single-member district exceeds the population of the least populous single-member district by more than 10 percent, the board shall redivide the hospital district into the appropriate number of single-member districts not later than the 90th day before the date of the first regular election at which directors may officially recognize and act on the census. Redivision of the district must be in the manner provided for division of the district under this section.

(f) If the district adopts a redistricting plan under this section, the board may provide in the plan for the directors in office to serve at large for the remainder of their terms. The single-member district and at-large positions provided by the district's plan shall be filled as the staggered terms of incumbent directors expire.
Sec. 1061.053. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Midland County.

Sec. 1061.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:
(1) a resident of the district; and
(2) more than 18 years of age when elected or appointed.
(b) A person who is elected from a single-member district or is appointed to fill a vacancy for a single-member district must reside in that single-member district.

Sec. 1061.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.
(b) If the number of directors is reduced to fewer than four, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, shall order the election.

Sec. 1061.056. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.

(b) Each officer of the board serves for a term of one year.

(c) The board by vote shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and 

(2) approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The board may appoint assistant administrators.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $10,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and 

(2) contains other conditions the board may require.
Sec. 1061.060.  GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Sec. 1061.061.  APPOINTMENT AND DISMISSAL OF STAFF AND EMPLOYEES; CONTRACTS.  (a) The board may appoint to or dismiss from the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire or contract with technicians, nurses, and other persons or district employees as the administrator considers advisable.

Sec. 1061.062.  RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to recruit or otherwise obtain physicians and other personnel for the district's medical staff or for employment with the hospital or hospital system, including medical facilities or other health facilities owned or operated by the district. The actions may include:

(1) advertising and marketing;
(2) paying recruitment expenses;
(3) paying travel and relocation expenses; and
(4) providing a subsidy or scholarship.
Sec. 1061.063. SENIORITY; RETIREMENT BENEFITS. (a) The board may:

(1) adopt rules relating to the seniority of district employees; and

(2) establish or administer a retirement program or elect to participate in any statewide retirement program in which the district is eligible to participate.

(b) The district may give effect to previous years of service for district employees continuously employed in the operation or management of the hospital facilities acquired from Midland Memorial Foundation when the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1061.101. DISTRICT RESPONSIBILITY. (a) The district has full responsibility for providing hospital care for the district's indigent residents.

(b) The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.103. MANAGEMENT, CONTROL, AND ADMINISTRATION; GENERAL
BOARD POWER. (a) The board shall manage, control, and administer the district's hospital or hospital system and the district's money and resources.

(b) The board may exercise any power provided by this chapter unless the board enters into a management contract under Section 1061.113 that provides the power is exercised in accordance with the contract.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.104. HOSPITAL SYSTEM. (a) The district has the responsibility to establish a hospital or hospital system, including medical facilities and other health facilities, within its boundaries to provide hospital and medical care to the district's residents.

(b) The district shall provide for:

(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   (B) equipping the buildings; and

(2) the administration of buildings and equipment for hospital and medical care purposes.

(c) The hospital system may include:

(1) facilities for domiciliary care of the sick, injured, or geriatric;
(2) outpatient clinics;
(3) dispensaries;
(4) convalescent home facilities;
(5) necessary nurses' domiciliaries;
(6) training centers;
(7) training facilities for doctors and nurses and for other health care disciplines;
(8) blood banks;
(9) community mental health centers;
(10) research centers or laboratories;
(11) parking; and
(12) any other facilities the board considers necessary for a hospital or hospital system and a medical facility or other health facility included in the hospital or hospital system.
Sec. 1061.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.
(b) The board by resolution may delegate a power described by Subsection (a) to:
(1) the Midland Memorial Foundation or its successors; or
(2) a person who enters into an operating or management agreement with the district to exercise the power.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.107. AMBULANCE OR MOBILE EMERGENCY SERVICE. The district may operate or provide for the operation of an ambulance or mobile emergency service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings and property required to maintain an adequate hospital system.
(b) The board may lease property, including facilities and equipment, and may enter into a lease of all or part of the
district's buildings or other facilities with any person on terms considered to be in the best interest of the district. The term of the lease may not exceed 40 years.

(c) The district may acquire equipment for use in the district's hospital system, including medical and health facilities, and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The board on behalf of the district may hold, construct, condemn, purchase, acquire, lease, add to, maintain, operate, regulate, sell, convey, or otherwise dispose of any type of property, including land or equipment, or a property right, hospital facility, or hospital system on terms the board finds are in the best interest of the district's inhabitants.

(e) The board may donate to another governmental entity or to a charitable organization any surplus personal property or equipment if the donation serves a public purpose and is accompanied by adequate consideration.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an
appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, electric transmission, telegraph or telephone line, conduit, pole, or facility, or pipeline, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.112. CONSTRUCTION OR PURCHASE CONTRACTS. A construction or purchase contract that involves the expenditure of more than the amount provided by Section 252.021(a), Local Government Code, may be made only after competitive bidding in the manner provided by Chapter 252, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 250 (H.B. 1110), Sec. 1, eff.
Sec. 1061.113. MANAGEMENT AGREEMENT; LIABILITY. (a) The board may enter into a management agreement with any person, including the Midland Memorial Foundation or its successors, for the management and operation of any hospital or part of a hospital owned by the district, under terms satisfactory to the board and the person.

(b) An agreement under Subsection (a) may be for a term not to exceed 10 years, with renewal options as considered advisable.

(c) A nonprofit corporation that manages a hospital or provides services under a contract with the district under this chapter and any corporation employee are district employees for purposes of Chapters 101 and 102, Civil Practice and Remedies Code, while performing services under the contract for the benefit of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.114. CONTRACTS FOR HOSPITALIZATION, TREATMENT, AND TRAINING. (a) The board may contract with any person located inside or outside the district's boundaries for the hospitalization and treatment of a sick or injured person.

(b) The district may contract with any person located inside or outside the district's boundaries for services provided by the district, including:

(1) the promotion of health;
(2) hospital treatment of a sick or injured person; and
(3) the training of doctors and nurses and the provision of training in health care disciplines.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.115. CONTRACT FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with any person for the district to provide investigatory or other services for the medical, hospital, or welfare needs of district inhabitants.
Sec. 1061.116. CONTRACT FOR FACILITIES TO SUPPORT SURGICAL RESIDENCY PROGRAM. (a) The board may contract with a state agency or public medical school, including the Texas Tech University Health Sciences Center, for the improvement and equipping of hospital facilities as necessary to support a surgical residency program.

(b) Notwithstanding other law, the state agency or medical school may enter into an agreement described by Subsection (a) and spend appropriated funds for that purpose.

Sec. 1061.117. PROVISION OF SERVICES OUTSIDE DISTRICT. The district may provide primary care, emergency services, preventive medical services, and other health-related services outside the district, provided that the services serve the purpose of the district as established by this chapter.

Sec. 1061.118. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

1. the patient; and
2. the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay the
district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hear and determine the issue, after calling witnesses.

(f) The final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.119. REIMBURSEMENT FOR SERVICES TO NONRESIDENTS. If a welfare patient, who is not a district resident, is admitted to a district facility, the district may:

(1) seek reimbursement from the patient's county of residence; and

(2) sue for reimbursement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.120. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.121. EMPLOYMENT OF DISTRICT PEACE OFFICERS. (a) The board may employ and commission peace officers for the district.

(b) The jurisdiction of a peace officer commissioned under this section includes the property owned or controlled by the district.

(c) In a district peace officer's jurisdiction, the peace officer has the authority granted by Chapter 14, Code of Criminal
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 279, S.B. 1621 and SB1804, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1061.151. BUDGET. (a) Unless otherwise provided in a management agreement, the district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget;
(7) the estimated tax rate required; and
(8) the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.

(c) The board shall provide in each annual budget for the payment of all operation and maintenance expenses of the district.

(d) In preparing the budget, the board may consider the estimated excess revenue and income from hospital facilities available for paying the operation and maintenance expenses after providing for the payment of revenue bonds issued by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1061.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

(c) Any property taxpayer of the district is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interest of the taxpayers and that the law warrants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.155. FISCAL YEAR. The district operates according to a fiscal year that begins on October 1 and ends on September 30. The board may change the fiscal year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1061.156. AUDIT. The board shall have an independent audit made of the district's financial condition for each fiscal year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator or the managing entity of the hospital shall prepare for the board:

1. a complete sworn statement of all district money; and
2. a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money. A selected bank serves for four years. Bids shall be received for a depository contract after notice is published one time in a newspaper of general circulation in the district 20 days before the date to open the bids. The district shall award the depository contract to the bank or banks offering the most favorable terms for handling the district's money.

(b) District money, other than money invested as provided by Section 1061.160(b) and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.
(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security or pledges security as required for county depositories in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1061.108(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1061.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the full faith and credit of the district for:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1061.201, the board shall impose an ad valorem tax at a rate
sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.203. BOND ELECTION. (a) The district may issue tax bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate presiding judges for each polling place;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity date of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.204. REVENUE BONDS. (a) The board may issue revenue bonds for the purchase, construction, acquisition, and repair or renovation of buildings and improvements, and equipping any hospital facilities, including facilities for parking, and the training of doctors, nurses, and health care disciplines, and to acquire any real or personal property in connection with the hospital facilities.

(b) A revenue bond issued under this section must mature not later than 40 years after the date of issuance.

(c) The board may provide for the subsequent issuance of additional parity bonds, subordinate lien bonds, or other types of bonds under terms prescribed in the order authorizing the issuance of revenue bonds.
Sec. 1061.205.  PAYMENT OF REVENUE BONDS; SECURITY.  (a)  Revenue bonds issued under Section 1061.204 must be payable from and secured by liens on and pledges of all or any part of the revenue and income, other than ad valorem taxes, derived by the district from the operation of district facilities, the ownership of district facilities, or both.  The board may pledge to the payment of revenue bonds all or any part of a grant, donation, or income received or to be received from the United States or any other public or private source under an agreement or otherwise.  

(b)  The bonds may be additionally secured by a mortgage or deed of trust on any real property on which a district hospital facility is or will be located and any real or personal property incident or appurtenant to the facility.  The board may authorize the execution and delivery of a trust indenture, mortgage, deed of trust, or other form of encumbrance to evidence the security interest.

Sec. 1061.206.  USE OF REVENUE BOND PROCEEDS.  (a)  If permitted in the bond order, any required part of the proceeds from the sale of the revenue bonds may be used to:

(1)  pay interest on the bonds during the period of the construction of a hospital facility to be provided through the issuance of the bonds;

(2)  pay operation and maintenance expenses of the facility to the extent and for the time specified in the bond order; and

(3)  create reserves for the payment of the principal of and interest on the bonds.

(b)  The bond proceeds may be invested until needed to the extent and in the manner provided by the bond order.
Sec. 1061.207. CHARGE FOR OCCUPANCY OR USE OF HOSPITAL FACILITY. The board may establish and collect charges for the occupancy or use of a hospital facility and for related services in the amounts and manner determined by the board. The charges shall be set and collected in amounts at least sufficient with any other pledged resources to pay:

(1) the principal of, interest on, and any other amounts required in relation to bonds issued by the district; and

(2) to the extent required by the bond order, all or any part of the operation, maintenance, and other expenses of the hospital facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.208. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) Refunding bonds may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a like principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.209. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision:

(1) bonds issued or assumed by the district;

(2) the transfer and issuance of the bonds; and

(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1061.251. IMPOSITION OF AD VALOREM TAX. (a) The board
shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:
   (1) pay the indebtedness issued or assumed by the district;
   (2) provide for the operation and maintenance of the district and hospital system;
   (3) make improvements and additions to the hospital system; and
   (4) acquire necessary sites for the improvements and additions by purchase, lease, or condemnation.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.253. USE OF AD VALOREM TAXES FOR OPERATION AND MAINTENANCE EXPENSES. (a) If the board issues revenue bonds under Section 1061.204, the board:

(1) shall use ad valorem taxes to pay the district's operation and maintenance expenses to the extent that the revenue and income from the district's hospital facilities are not sufficient after providing for the payment of those bonds; and

(2) may pledge the proceeds of the ad valorem tax for the payment of the district's operation and maintenance expenses in the order authorizing the issuance of the bonds.

(b) If the ad valorem tax is pledged, the board shall, during each year during which the revenue bonds are outstanding, compute a tax rate sufficient to pay the operation and maintenance expenses described by Subsection (a)(1).
The ad valorem tax shall be imposed on all taxable property in the district for each year the revenue bonds are outstanding. The tax shall be assessed and collected each year and used for the purpose prescribed by this section to the extent required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.254. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSSESSOR-COLLECTOR. (a) This section applies unless the board by majority vote elects to have taxes assessed and collected under Section 1061.255 or 1061.256.

(b) The tax assessor-collector of Midland County shall assess and collect taxes imposed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.255. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:

(1) reside in the district; and
(2) own real property subject to district taxation.

(c) The board shall set for the district tax assessor-collector:

(1) the term of employment; and
(2) compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1061.256. ASSESSMENT AND COLLECTION BY TAX ASSSESSOR-COLLECTOR OF ANOTHER POLITICAL SUBDIVISION. (a) The board may elect to have all or part of the district's taxes assessed and collected by
a political subdivision in which any part of the district is located. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The tax assessor or collector of the political subdivision shall assess or collect the appropriate district taxes in accordance with the board's election under Subsection (a) and for the compensation agreed on by the appropriate parties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1062. MITCHELL COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1062.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Mitchell County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.003. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of:

(1) Commissioners Precincts Nos. 1, 2, and 3 of Mitchell County, Texas, as those boundaries existed on January 1, 1967; and
(2) Commissioners Precinct No. 4 of Mitchell County, Texas, as those boundaries existed on January 1, 1973.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1062.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 1062.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

1. directors serve staggered two-year terms; and
2. an election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

(c) The election order must state the time, place, and purpose of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.052. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1062.053. QUALIFICATIONS FOR OFFICE. (a) To be qualified for election to the board, a person must be:
(1) a district resident; and
(2) a qualified voter.
(b) A district employee may not serve as a director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.054. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors by majority vote shall elect a director to hold office for the remainder of the unexpired term.
(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a qualified voter or taxpayer of the district, may order the directors to hold the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.055. OFFICERS. (a) The board shall elect a president and a vice president from among its members.
(b) The board shall elect a person, who is not required to be a director, to serve as secretary and treasurer.
(c) Each officer of the board serves for a term of one year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.056. COMPENSATION; EXPENSES. A director is not entitled to compensation but is entitled to reimbursement for actual expenses incurred in attending to district business. The expenses must be:
(1) reported in the district's records; and
(2) approved by the remainder of the board.
Sec. 1062.057. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Sec. 1062.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board shall appoint a qualified person as district administrator.
(b) The board may appoint an assistant administrator.
(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
(d) The board may require the district administrator, on assuming the administrator's duties, to execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
(1) is conditioned on the administrator performing the administrator's duties; and
(2) contains other conditions the board may require.
(e) The board may pay for the bond with district money.

Sec. 1062.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Sec. 1062.060. APPOINTMENT AND RECRUITMENT OF STAFF AND
EMPLOYEES. (a) The board may appoint to the staff or may employ any doctors, technicians, nurses, and other employees the board considers necessary for the efficient operation of the district.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may provide that the district administrator has the authority to hire district employees, including technicians and nurses.

(d) The board may spend district money to recruit physicians, nurses, and other trained medical personnel.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.061. PERSONNEL CONTRACTS. (a) The board may contract to provide administrative and other personnel for the operation of the hospital facilities.

(b) The term of the contract may not exceed 25 years from the date the contract is entered.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.062. EDUCATIONAL PROGRAMS; COURSES. The board may provide or contract to provide educational programs or courses for district employees and medical staff.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in a statewide retirement system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 1062.101.  DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.102.  RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.103.  MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.104.  HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the buildings and equipment for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.105.  RULES. The board may adopt rules for the operation of the district.
Sec. 1062.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Sec. 1062.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system. Nothing here prohibits the establishing and equipping of a clinic as a part of the hospital system.

(b) The board may:

(1) purchase or lease property, including facilities and equipment, for the district to use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease district hospital facilities to individuals, corporations, or other legal entities.

(d) The board may sell or otherwise dispose of the district's property, including facilities and equipment.

(e) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

Sec. 1062.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest
in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

1. pay in advance or provide a bond or other security for costs in the trial court;
2. provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
3. provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.110. CONSTRUCTION CONTRACTS. The board may contract for construction only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or
municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) a relative of the patient who is legally responsible for the patient's support.

(b) If the district administrator determines that the patient or relative cannot pay all or part of the costs of the patient's care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or relative can pay for all or part of the costs of the care and treatment provided to the patient by the district, the patient or relative shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally responsible for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) The board may institute a suit to collect an amount owed to the district by a patient who is not able to pay under this section.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator concerning the ability to pay, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(g) A final order of the board may be appealed to the district court.
Sec. 1062.113. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use district money only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Sec. 1062.114. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1062.151. BUDGET. The district administrator shall prepare an annual budget for approval by the board.

Sec. 1062.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing must be published one time in a newspaper of general
circulation in the district.

(c) The annual budget must be approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:
   (1) if revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open
to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.159. DEPOSITORY. (a) The board shall select one or more banks to serve as a depository for district money.

(b) District money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to the place or places designated as agent for the payment of principal of and interest on the district's outstanding bonds or other obligations in time for the agent to make that payment on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being designated as a depository bank.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.160. SPENDING AND INVESTMENT RESTRICTIONS. Except as otherwise provided by Section 1062.107(e) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current district fiscal year.
Sec. 1062.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made. 
(b) To secure a loan, the board may pledge: 
(1) district revenue that is not pledged to pay the district's bonded indebtedness; 
(2) tax revenue to be collected by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or 
(3) district bonds that have been authorized but not sold. 
(c) A loan for which tax revenue or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which other district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Sec. 1062.162. AUTHORITY TO BORROW MONEY IN EMERGENCY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board determines that: 
(1) money is not available to meet authorized obligations of the district; and 
(2) an emergency exists. 
(b) To secure a loan, the board may pledge: 
(1) district revenue that is not pledged to pay the district's bonded indebtedness; 
(2) tax revenue to be collected by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or 
(3) district bonds that have been authorized but not sold. 
(c) A loan for which tax revenue or bonds are pledged must
mature not later than the first anniversary of the date the loan is made. A loan for which other district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) The board may not spend money obtained from a loan under this section for any purpose other than:

(1) the purpose for which the board declared an emergency; and

(2) if district tax revenue or bonds are pledged to pay the loan, the purpose for which the pledged taxes were imposed or the pledged bonds were authorized.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1062.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical or air ambulance service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1062.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1062.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election.

(c) The election shall be conducted as provided by Chapter 1251, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;

(2) acquire sites to be used for hospital purposes; or

(3) acquire and operate a mobile emergency medical or air ambulance service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.205. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1062.206. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1062.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to pay:

(1) indebtedness issued or assumed by the district; and

(2) the maintenance and operating expenses of the district.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.
SUBCHAPTER G. DISSOLUTION

Sec. 1062.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters of the district.

(d) The order calling the election must state:
   (1) the nature of the election, including the proposition to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear on or before the 35th day before the date set for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Mitchell County Hospital
Sec. 1062.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Sec. 1062.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.
(a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to a county or to another governmental entity in Mitchell County;

(2) sell the assets and liabilities to another person; or

(3) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsections (a)(1) and (2) do not apply and the board administers the property, assets, and debts of the district under Subsection (a)(3), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.
Sec. 1062.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) The dissolution of the district and the sale or transfer of the district's assets and liabilities to another person may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(b) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(c) The district may not transfer or dispose of the district's assets except for due compensation unless:

(1) the transfer is made to another governmental entity that serves the district; and

(2) the transferred assets are to be used for the benefit of the district's residents.

(d) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1062.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the person serving as secretary and treasurer to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the person serving as secretary and treasurer to transmit the money to the county tax assessor-collector.
Sec. 1062.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Mitchell County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Mitchell County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Sec. 1063.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Montgomery County Hospital District.

Sec. 1063.002. AUTHORITY FOR OPERATION. The Montgomery County Hospital District operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.
Sec. 1063.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Montgomery County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1063.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected as follows:

(1) one director elected from each county commissioners precinct; and
(2) three directors elected from the district at large by position.

(b) A district voter may vote on the directors to be elected at large and on the director to be elected from the precinct in which
the voter resides.

  (c) An election shall be held on the uniform election date in November of each even-numbered year to elect the appropriate number of directors.

  (d) Directors serve staggered four-year terms that expire on the last day of December.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
  Acts 2015, 84th Leg., R.S., Ch. 148 (H.B. 389), Sec. 1, eff. September 1, 2015.

Sec. 1063.052. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person:

  (1) is more than 21 years of age at the time of the appointment or election;

  (2) is a resident of the district; and

  (3) is a qualified voter.

  (b) A director who represents a county commissioners precinct must be a resident of that precinct.

  (c) A person may not be elected or appointed as a director if the person holds another appointed or elected public office of honor, trust, or profit.

  (d) A person who holds another public office of honor, trust, or profit and seeks to be appointed or elected as a director automatically vacates the first office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

  (1) signed by at least 10 registered voters; and

  (2) filed at least 25 days before the date of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1063.054. NOTICE OF ELECTION. At least 10 days before the date of a regular election of directors, notice of the election shall be published one time in a newspaper of general circulation in Montgomery County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.055. RUNOFF ELECTION. (a) If no candidate for a particular director position at a regular directors' election receives a majority of the votes of the voters voting in that race, the board shall order a runoff election.

(b) At least seven days before the date of a runoff election, the board shall publish notice of the election one time in a newspaper or newspapers that individually or collectively have general circulation in the area of the runoff election.

(c) Of the names printed on the ballot at a runoff election, the name of the candidate who received the higher number of votes at the general election of directors must be printed first on the ballot.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1063.057. OFFICERS. The board shall elect from among its members a presiding officer, assistant presiding officer, treasurer, and secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.058. COMPENSATION. A director serves without compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.059. BOND; RECORD OF BOND. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.060. VOTING REQUIREMENT. A concurrence of a majority of the directors present is sufficient in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.061. CALLING MEETINGS. The presiding officer or any four directors may call a board meeting.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1063.062. CHIEF ADMINISTRATIVE OFFICER; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as the district's chief administrative officer. That officer shall be known as the district president or by another title selected by the board.

(b) The board may appoint one or more assistant administrators. An assistant administrator shall be known as the district vice president or by another title selected by the board.

(c) The chief administrative officer and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.063. GENERAL DUTIES OF CHIEF ADMINISTRATIVE OFFICER. Subject to the limitations prescribed by the board, the chief administrative officer shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.064. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as warranted.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the chief administrative officer the authority to hire district employees, including technicians and nurses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1063.065. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1063.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district may not impose a tax or issue bonds or other obligations for hospital or health care purposes or to provide medical care for district residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the health care or hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1063.104. HEALTH CARE OR HOSPITAL SYSTEM. (a) The district shall provide for:

(1) the establishment of a health care or hospital system by:

(A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and

(B) equipping the buildings; and

(2) the administration of the system for health care or hospital purposes.

(b) The health care or hospital system may include:

(1) domiciliary care and treatment of the sick, injured, or geriatric;

(2) hospitals;

(3) outpatient clinics;

(4) dispensaries;

(5) convalescent home facilities;

(6) necessary nurses;

(7) domiciliaries and training centers;

(8) blood banks;

(9) community mental health centers;

(10) research centers or laboratories;

(11) ambulance services; and

(12) any other facilities the board considers necessary for health or hospital care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.105. RULES. The board may adopt rules governing the operation of the hospital, the health care or hospital system, and the district's staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate health care or hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. Except as provided by Subsection (c), the term of a lease may not exceed 25 years from the date entered.

(c) District land may not be leased for a period exceeding 25 years unless the board:
(1) finds that the land is not necessary for health care or hospital purposes;
(2) complies with any indenture securing the payment of district bonds; and
(3) receives not less than the current market value for the lease.

(d) The district may acquire equipment for use in the district's health care or hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(e) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants. The board must comply with Section 272.001, Local Government Code, when selling district land other than land the district is authorized to sell or exchange under Subsection (f).

(f) The district may sell or exchange a hospital, including real property necessary or convenient for the operation of the hospital and real property that the board finds may be useful in connection with future expansions of the hospital, on terms the board determines to be in the district's best interests. The district must comply with the procedures prescribed by Sections 285.051 and
Sec. 1063.108. TAKEOVER OF NONPROFIT HOSPITAL PROPERTY. The district may take over and may accept title to land, buildings, improvements, and equipment of a nonprofit hospital in the district if the governing authority of the hospital and district agree to the transfer.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires the relocation, raising, lowering, rerouting, or change in grade or
alteration in the construction of any railroad, electric transmission, telegraph or telephone lines, conduits, poles, or facilities or pipelines, the board must bear the actual cost of the relocation, raising, lowering, rerouting, or change in grade or alteration of construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.112. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 148 (H.B. 389), Sec. 2, eff. September 1, 2015.

Sec. 1063.113. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1063.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.115. CONTRACTS FOR HEALTH CARE SERVICES. (a) As permitted by the Texas Constitution and Chapter 61, Health and Safety Code, the district may:

(1) enter into a contract relating to the provision of health care services on terms the board determines to be in the district's best interests; and

(2) make payments under the contract.

(b) The term of a contract under this section may not exceed 15 years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.116. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the medical, health care, hospital, or welfare needs of district inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.117. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district
facility, the chief administrative officer may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the chief administrative officer determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the district facility, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the chief administrative officer determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The chief administrative officer may collect the amount from the estate of the patient, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the chief administrative officer, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.1175. ADDITIONAL POWERS RELATED TO INDIGENT HEALTH CARE. In addition to the powers otherwise provided by this chapter, the district may exercise any power granted to a county or a public hospital by Sections 61.035, 61.057, 61.058, and 61.059, Health and Safety Code, as those sections existed on September 30, 2009, including the power to require a person to comply with a corresponding duty.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.007(a), eff. September 1, 2011.
Sec. 1063.118. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute or cause to be contributed available funds to the corporation. A corporation under this section must be a nonmember, nonstock corporation.

(b) The board of directors of the corporation shall be composed of seven district residents appointed by the district's board. The district's board may remove any director of the corporation at any time with or without cause.

(c) The corporation may use money, other than money the corporation pays to the district, only to provide or pay the costs of providing or costs related to providing indigent health care or other services the district is required or authorized to provide under the constitution or state law.

(d) The district's board shall establish controls to ensure that the corporation uses its money as required by Subsection (c).

(e) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.119. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1063.151. BUDGET. (a) The chief administrative officer shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

1. the outstanding obligations of the district;
2. the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
(b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.
(c) Any district resident is entitled to be present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the chief administrative officer. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.
Sec. 1063.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.
(b) The fiscal year may not be changed:
   (1) during a period that district revenue bonds are outstanding; or
   (2) more than once in a 24-month period.

Sec. 1063.156. AUDIT. The board shall have an audit made of the district's financial condition.

Sec. 1063.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Sec. 1063.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the chief administrative officer shall prepare for the board:
   (1) a complete sworn statement of all district money; and
   (2) a complete account of the disbursements of district money.
Sec. 1063.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1063.160, and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the amount of district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1063.107(d) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1063.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
(2) equipping buildings or improvements for health care or hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1063.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district subject to hospital district taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The election order must provide for clerks as in county elections and must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after
the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.206. REVENUE BONDS. (a) The district may issue revenue bonds or certificates of obligation or may incur or assume any other debt only if authorized by a majority of the district voters voting in an election held for that purpose. This subsection does not apply to refunding bonds or other debt incurred solely to refinance an outstanding debt.

(b) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for health care or hospital purposes; or

(2) acquire sites to be used for health care or hospital purposes.

(c) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital or health care facilities.

(d) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(e) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1063.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.209. TAX ANTICIPATION NOTES. (a) The board may:

(1) declare an emergency because money is not available to:

(A) pay the principal of and interest on any district bonds payable wholly or partly from taxes; or

(B) meet any other needs of the district; and

(2) issue negotiable tax anticipation notes to borrow the money the district needs.

(b) Tax anticipation notes may be issued for any purpose for which the district may impose taxes.

(c) Tax anticipation notes may bear interest at any rate or rates authorized by law.

(d) Tax anticipation notes must mature not later than one year after the date of issuance.

(e) Tax anticipation notes must be secured by the proceeds of taxes to be imposed by the district in the succeeding 12-month period.

(f) The board may covenant with the note purchasers that the
board will impose a sufficient tax in the following fiscal year to pay the principal of and interest on the notes and pay the costs of collecting the taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.210. CERTIFICATES OF OBLIGATION. (a) The district may issue and sell certificates of obligation for a purpose permitted under this chapter.

(b) The certificates of obligation must be issued and sold in conformity with and in the manner specified for a municipality or county by Subchapter C, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1063.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose an ad valorem tax on all taxable property in the district subject to district taxation.

(b) The board shall impose the tax to pay:

(1) indebtedness issued or assumed by the district; and

(2) the maintenance and operating expenses of the district.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district subject to district taxation.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1063.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have district taxes assessed and collected under Section 1063.254.

(b) The tax assessor-collector of Montgomery County shall assess and collect taxes imposed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.254. ASSESSMENT AND COLLECTION BY APPOINTMENT OR CONTRACT. (a) The board may elect to:

(1) appoint a tax assessor-collector to assess and collect district taxes; or

(2) contract for the assessment and collection of taxes as provided by the Tax Code.

(b) An election under this section must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(c) The board shall set for the appointed tax assessor-collector:

(1) the term of employment; and

(2) compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 2, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1063.255. PETITION AND ORDER FOR ELECTION TO REDUCE TAX RATE. (a) Notwithstanding Section 26.07(b)(3), Tax Code, a petition to require an election under Section 26.07, Tax Code, on reducing the district's tax rate to the rollback tax rate shall be submitted to the Montgomery County elections administrator instead of to the board.
(b) Notwithstanding Section 26.07(c), Tax Code, not later than the 20th day after the date a petition is submitted under Subsection (a), the elections administrator shall:
   (1) determine whether the petition is valid under Section 26.07, Tax Code; and
   (2) certify the determination of the petition's validity to the board.
(c) If the elections administrator fails to act within the time allowed, the petition is treated as if it had been found valid.
(d) Notwithstanding Section 26.07(d), Tax Code, if the elections administrator certifies to the board that the petition is valid or fails to act within the time allowed, the board shall order that an election under Section 26.07, Tax Code, to determine whether to reduce the district's tax rate to the rollback rate be held in the district in the manner prescribed by Section 26.07(d) of that code.
(e) The district shall reimburse the elections administrator for reasonable costs incurred in performing the duties required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 1063.301. DISSOLUTION ELECTION; PETITION. (a) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.
(b) The board shall order an election on the question of dissolving the district and disposing of the district's assets and obligations if the board receives a petition by district residents requesting an election that:
   (1) is certified as valid by the Montgomery County elections administrator under Section 1063.302; or
   (2) the Montgomery County elections administrator fails to act on within the time allowed by Section 1063.302.
(c) A petition requesting an election must:
   (1) state that it is intended to request an election in the district on the question of dissolving the district and disposing of the district's assets and obligations;
   (2) be signed by a number of district residents equal to at
least 15 percent of the total vote received by all candidates for
governor in the most recent gubernatorial general election in the
district that occurs more than 30 days before the date the petition
is submitted; and

(3) be submitted to the Montgomery County elections
administrator.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1063.302. VALIDITY OF PETITION FOR ELECTION. (a) Not
later than the 30th day after the date a petition requesting the
dissolution of the district is submitted under Section 1063.301, the
Montgomery County elections administrator shall:

(1) determine whether the petition is valid; and

(2) certify the determination of the petition's validity to
the board.

(b) If the elections administrator fails to act within the time
allowed, the petition is treated as if it had been found valid.

(c) If a petition submitted under Section 1063.301 does not
contain the necessary number of valid signatures, the district
residents may not submit another petition under Section 1063.301
before the third anniversary of the date the invalid petition was
submitted.

(d) The district shall reimburse the county elections
administrator for reasonable costs incurred in performing the duties
required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1063.303. ELECTION DATE. An election under this
subchapter shall be held on the earlier of the following dates that
occurs at least 90 days after the date on which the election is
ordered:

(1) the uniform election date in May; or

(2) the date of the general election for state and county
officers.
Sec. 1063.304. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Montgomery County Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.305. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before:

(1) the fourth anniversary of the date of the most recent election to dissolve the district if the board called the election under Section 1063.301(a); or

(2) the third anniversary of the date of the most recent election to dissolve the district if the board called the election under Section 1063.301(b).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.306. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS IF ELECTION INITIATED BY BOARD. (a) This section, Section 1063.307, and Section 1063.308 apply to an election called under Section 1063.301(a).

(b) If a majority of the votes in the election favor dissolution, the board shall:

(1) transfer the ambulance service and related equipment, any vehicles, and any mobile clinics and related equipment that belong to the district to Montgomery County not later than the 45th day after the date on which the election is held; and
(2) transfer the land, buildings, improvements, equipment not described by Subdivision (1), and other assets that belong to the district to Montgomery County or administer the property, assets, and debts in accordance with Subsection (e) and Sections 1063.307 and 1063.308.

(c) The county assumes all debts and obligations of the district relating to the ambulance service and related equipment, any vehicles, and any mobile clinics and related equipment at the time of the transfer.

(d) If the district makes the transfer under Subsection (b)(2), the county assumes all debts and obligations of the district relating to those assets at the time of the transfer, and the district is dissolved.

(e) If the board finds that the district is dissolved but does not transfer the land, buildings, improvements, equipment, and other assets to Montgomery County under Subsection (b)(2), the board shall continue to control and administer that property and those assets and the related district debts until all money has been disposed of and all district debts have been paid or settled.

(f) The county shall use all transferred assets to:
   (1) pay the outstanding debts and obligations of the district relating to the assets at the time of the transfer; or
   (2) provide medical and hospital care for needy county residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.
(a) After the board finds that the district is dissolved, the board shall:
   (1) determine the debt owed by the district; and
   (2) impose on the property included on the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return:
   (1) to each district taxpayer the taxpayer's pro rata share of all unused tax money; and
   (2) to Montgomery County all unused district money from any
other source.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to send the money to the county tax assessor-collector.

(d) Montgomery County shall use unused district money received under this section to provide medical and hospital care for needy county residents.

(e) The board may institute a suit to enforce payment of taxes under this section and to foreclose liens to secure the payment of the taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Montgomery County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Montgomery County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.309. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS IF ELECTION INITIATED BY DISTRICT PETITION. (a) This section applies to an election called under Section 1063.301(b).

(b) If a majority of the votes in the election favor dissolution, the board shall transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Montgomery County not later than the 45th day after the date on which the election is held.

(c) The county assumes all debts and obligations of the
The county shall use all transferred assets to:

1. pay the outstanding debts and obligations of the district relating to the assets at the time of the transfer; or
2. provide medical and hospital care for needy county residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1064. MOORE COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1064.001. DEFINITIONS. In this chapter:

1. "Board" means the board of directors of the district.
2. "Director" means a member of the board.
3. "District" means the Moore County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.002. AUTHORITY FOR OPERATION. The Moore County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1064.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Moore County, Texas, unless the boundaries are expanded under Subchapter D.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1064.051. DEFINITION. In this subchapter, "medical staff" means physicians who:

(1) are licensed to practice medicine in this state; and
(2) hold medical staff privileges granted by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1064.052. BOARD; TERM.  (a) The board consists of seven directors, appointed as follows:

(1) six directors appointed by the Commissioners Court of Moore County; and

(2) one director appointed by the medical staff of the district's hospital in accordance with procedures prescribed by the directors appointed under Subdivision (1).

(b) The director appointed under Subsection (a)(2) must be a member of the medical staff of the district's hospital. If the director is no longer a member of the medical staff, the person vacates the position.

(c) Directors appointed under Subsection (a)(1) serve staggered three-year terms. The director appointed under Subsection (a)(2) serves a two-year term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.053. QUALIFICATIONS FOR OFFICE.  (a) A person may not be appointed as a director unless the person is:

(1) a district resident; and

(2) a qualified voter.

(b) Except as provided by Section 1064.052(a)(2), a person is not eligible to serve as a director if the person is:

(1) a district administrator;

(2) a district employee; or

(3) a member of the medical staff.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.054. BOARD VACANCY.  If a vacancy occurs in the office of a director, the entity that appointed the vacating director shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1064.055. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.057. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.058. ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.
(b) The board may appoint an assistant administrator.
(c) The administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $500,000 that:
Sec. 1064.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.060. APPOINTMENT OF STAFF; EMPLOYEES. (a) The board may appoint doctors to the staff as the board considers necessary for the efficient operation of the district and may make temporary appointments to the staff if warranted.

(b) The board may employ physicians or other health care providers as the board considers necessary for the efficient operation of the district.

(c) The district may employ fiscal agents, accountants, architects, and attorneys as the board considers proper.

(d) The board may delegate to the district administrator the authority to employ technicians, nurses, and other district employees, except physicians.

(e) This section does not authorize the board to supervise or control the practice of medicine, as prohibited by Subtitle B, Title 3, Occupations Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.061. SENIORITY; RETIREMENT BENEFITS. The board may:

(1) adopt rules related to the seniority of district employees, including rules for a retirement plan based on seniority;
and

(2) give effect to previous years of service for a district employee continuously employed in the operation or management of hospital facilities:

(A) constructed by the district; or

(B) acquired by the district, including facilities acquired when the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1064.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing hospital care for the district's indigent residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.104. HOSPITAL SYSTEM; ANCILLARY HEALTH CARE SERVICES SYSTEM. (a) The district shall provide for the establishment of a hospital system by:
(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the buildings and equipment for hospital purposes.

(b) The hospital system may include:
(1) facilities for domiciliary care and treatment of the sick or injured;
(2) facilities for outpatient clinics;
(3) dispensaries;
(4) facilities for geriatric care, including assisted living facilities and independent elderly living facilities;
(5) nursing home facilities;
(6) necessary nurses' domiciliaries and training centers;
(7) blood banks;
(8) community mental health centers;
(9) research centers or laboratories; and
(10) any other facilities the board considers necessary for hospital care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 748 (H.B. 1293), Sec. 1, eff. June 17, 2011.

Sec. 1064.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.
Sec. 1064.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.  
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.  
(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.  
(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price.  
(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.108. EMINENT DOMAIN.  
(a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.  
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.  
(c) In a condemnation proceeding brought by the district, the district is not required to:  
(1) pay in advance or provide a bond or other security for costs in the trial court;  
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or  
(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1064.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.110. CONSTRUCTION AND PURCHASE CONTRACTS. (a) A construction or purchase contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code.

(b) Section 271.059, Local Government Code, relating to performance and payment bonds, applies to construction contracts let by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:
   Acts 2011, 82nd Leg., R.S., Ch. 748 (H.B. 1293), Sec. 2, eff. June 17, 2011.

Sec. 1064.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.112. CONTRACTS FOR CERTAIN SERVICES. The board may contract with any state, the United States, an agency or political subdivision of those entities, or a charitable or other private
entity inside or outside the district for the district to:

(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of
district inhabitants or of persons for whom the public or private
entity has an obligation to provide care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1064.113. CONTRACTS FOR HEALTH CARE. The board may
contract with any public or private entity, including a charitable
organization or a political subdivision, to provide health care or
related services inside or outside the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1064.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a
patient who resides in the district is admitted to a district
facility, the district administrator may have an inquiry made into
the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the
patient's support.

(b) If the district administrator determines that the patient
or those relatives cannot pay all or part of the costs of the
patient's care and treatment in the hospital, the amount of the costs
that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient
or those relatives can pay for all or part of the costs of the
patient's care and treatment, the patient or those relatives shall be
ordered to pay the district a specified amount each week for the
patient's care and support. The amount ordered must be proportionate
to the person's financial ability.

(d) The district administrator may collect the amount from the
patient's estate, or from any relative who is legally liable for the
patient's support, in the manner provided by law for the collection
of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in
the mind of the district administrator, the board shall hold a
hearing and, after calling witnesses, shall:

(1) determine the patient's ability to pay; and
(2) issue any appropriate orders.

(f) The final order may be appealed to the district court. The
substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1064.115. REIMBURSEMENT FOR SERVICES. (a) The board
shall require a county, municipality, or public hospital located
outside the district to reimburse the district for the district's
care and treatment of a sick or injured person of that county,
municipality, or public hospital as provided by Chapter 61, Health
and Safety Code.

(b) The board shall require the sheriff of Moore County to
reimburse the district for the district's care and treatment of a
person confined in a Moore County jail facility who is not indigent
and does not reside in the district.

(c) The board shall require the police department of a
municipality located in Moore County to reimburse the district for
the district's care and treatment of a person confined in a jail
facility of that municipality who is not indigent and does not reside
in the district.

(d) The board may contract with this or any other state, the
United States, or an agency or political subdivision of those
to reimburse the district for the care and treatment of a
sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1064.116. SALE OR LEASE OF HOSPITAL. (a) In this
section, "long-term lease" means a lease for a term that exceeds 10
years.

(b) The board may not sell a hospital owned and operated by the
district, including real property, or lease the hospital under a
long-term lease that relinquishes control of the hospital to the
lessee unless:

(1) the agreement for the sale or lease of the hospital provides for indigent care in the district;
(2) in the event of a sale of the hospital, the board has published notice of the proposed sale twice in a newspaper with general circulation in Moore County, with the first publication occurring not later than the 61st day before the date of the proposed sale, and the second publication occurring not earlier than the 30th day or later than the eighth day before the date of the proposed sale; and
(3) the majority of the votes cast by district voters at an election held for that purpose approve the sale or lease, as appropriate.

(c) Notice required by Subsection (b)(2) must include the:
(1) date of the proposed sale;
(2) name and address of the proposed buyer; and
(3) proposed purchase price.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.117. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.
(b) The district is entitled to all causes of action and defenses to which similar authorities are entitled.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1064.151. TERRITORY THAT MAY BE ANNEXED. (a) The district may annex territory that is not located in:
(1) Moore County;
(2) the boundaries of another hospital district; or
(3) the proposed boundaries of another hospital district authorized by the legislature under Section 9, Article IX, Texas Constitution.
(b) Territory may be annexed in one or more tracts. Each tract must be contiguous to:
Sec. 1064.152. PETITION TO ANNEX TERRITORY. (a) A petition requesting that territory be annexed to the district may be presented to the board. The petition must:

(1) describe the tract or tracts of land to be annexed; and

(2) be signed by 100 or a majority of the registered voters who:

(A) reside in the territory to be annexed; and

(B) own property that will be subject to district taxation.

(b) This chapter does not prohibit simultaneous action on several petitions for annexation. Each ballot proposition must be submitted for each different territory proposed to be annexed, and an election held in each territory represented by a petition.

(c) If the board receives two or more petitions for annexation that include all or part of the same territory to be annexed to the district, the petition filed first with the board shall be considered and another petition that includes any of the same territory has no effect.

(d) The board may consider all petitions for annexation presented to it and may approve or reject each petition. The board may not partly approve or partly reject any petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.153. ELECTION ORDER. (a) If, on receipt of a petition under Section 1064.152, the board finds that annexing the territory is in the district's best interest, the board shall within 90 days of the board's finding:

(1) approve the petition; and

(2) order an election on the question of annexing the territory to the district.

(b) The election order shall provide for a separate election:
(1) in the territory proposed to be annexed; and
(2) in the district.

(c) The election order shall provide for clerks as in county elections and must specify:
(1) the date of the election;
(2) the location of the polling places;
(3) the form of ballot; and
(4) the presiding judge and alternate judge for each polling place.

(d) The election order may provide that:
(1) the entire district is one election precinct; or
(2) the county election precincts be combined for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.154. BALLOT. The ballot for the election shall be printed to permit voting for or against the proposition: "The establishment of the Moore County Hospital District with extended boundaries and establishment of a hospital district tax at a rate not to exceed 75 cents on the $100 valuation on all taxable property in the extended boundaries of the hospital district that is subject to hospital district taxation for hospital purposes."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.155. NOTICE OF ELECTION. (a) Notice of the election shall be given by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper or newspapers that individually or collectively have general circulation in the county or district.

(b) The first publication must appear at least 30 days before the date of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1064.156. ELECTION RESULTS. (a) Territory may not be annexed to the district unless:

(1) an election is held in accordance with this subchapter; and

(2) the annexation is approved by a majority of the voters voting in the election in:

(A) the district; and

(B) the territory proposed to be annexed.

(b) If the territory is annexed to the district, a certified copy of the order canvassing the returns of the election shall be filed and recorded in the deed records.

(c) An election may not be held under this subchapter within 12 months of an election previously held under this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.157. EFFECT OF ANNEXATION. (a) Territory annexed to the district is part of the district for all purposes.

(b) The annexation of territory to the district does not change the manner in which the board or district officers are selected.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS**

Sec. 1064.201. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;

(2) the cash on hand in each district fund;

(3) the money received by the district from all sources during the previous year;

(4) the money available to the district from all sources during the ensuing year;

(5) the balances expected at the end of the year in which the budget is being prepared;

(6) the estimated revenue and balances available to cover
the proposed budget;
(7) the estimated tax rate required; and
(8) the proposed expenditures and disbursements and the
estimated receipts and collections for the following fiscal year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The
board shall hold a public hearing on the proposed annual budget.
(b) At least 10 days before the date of the hearing, notice of
the hearing shall be published one time in a newspaper or newspapers
that individually or collectively have general circulation in the
district.
(c) Any district resident is entitled to be present and
participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a
budget by acting on the budget proposed by the district
administrator. The board may make any changes in the proposed budget
that, in the board's sole judgment and discretion:
(1) applicable federal and state law warrants and allows; and
(2) the interest of district residents requires in
furtherance of hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.203. AMENDMENTS TO BUDGET. The budget may be amended
as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.204. RESTRICTION ON EXPENDITURES. Money may be spent
only for an expense included in the budget or an amendment to the
budget.
Sec. 1064.205. FISCAL YEAR. The district operates according to a fiscal year that begins on July 1 and ends on June 30.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.206. AUDIT. (a) The district shall have an independent audit made of the district's financial condition for the fiscal year.

(b) As soon as the audit is completed, the audit shall be filed at the district's office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.207. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.208. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.209. DEPOSITORY. (a) The board shall select one or more depositories for district money.
(b) District money, other than money invested as provided by Section 1064.210(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to:

(1) place a part of district money on time deposit or other forms of deposit; or
(2) purchase certificates of deposit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.210. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1064.107(c) and by Subchapter F, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building fund reserves only in any funds or securities authorized by law, including Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. BONDS

Sec. 1064.251. GENERAL OBLIGATION BONDS, CERTIFICATES OF OBLIGATION, AND OTHER FINANCING. The board may issue and sell general obligation bonds, certificates of obligation, or any other type of financing authorized by the laws of this state, including that type of financing authorized by Chapter 271, Local Government Code, in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
(2) equipping buildings or improvements for hospital purposes.
Sec. 1064.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1064.251, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

Sec. 1064.253. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

1. the date of the election;
2. the location of the polling places;
3. the presiding and alternate election judges for each polling place;
4. the amount of the bonds to be authorized;
5. the maximum interest rate of the bonds; and
6. the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Sec. 1064.254. REVENUE BONDS. (a) The board may issue revenue bonds to:

1. purchase, construct, acquire, repair, renovate, or
equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.255. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:
(1) sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.256. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.257. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.
Sec. 1064.258. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Sec. 1064.301. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes;
(2) provide for the operation and maintenance of the district and hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Sec. 1064.302. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.
Sec. 1064.303. ASSESSMENT AND COLLECTION OF TAXES IN SAME MANNER AS COUNTY. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1064.304. (b) District taxes shall be assessed and collected in the same manner as provided by law for the assessment and collection of county taxes. (c) The tax assessor-collector shall assess and collect taxes imposed by the district. (d) The tax assessor-collector shall charge and deduct from payments to the district an amount as fees for assessing and collecting the taxes at a rate determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.304. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made before December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution. (b) The board shall set for the district tax assessor-collector: (1) the terms of employment; (2) compensation; and (3) the requirement for bond to assure the faithful performance of the tax assessor-collector's duties. (c) A bond required under Subsection (b)(3) must be set in an amount of not less than $100,000.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1065. MOTLEY COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1065.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Motley County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.002.  AUTHORITY FOR OPERATION.  The district operates in accordance with Section 9, Article IX, Texas Constitution. The district has the rights, powers, and duties provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.003.  POLITICAL SUBDIVISION.  The district is a political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.004.  DISTRICT TERRITORY.  The boundaries of the district are identical with the boundaries of Motley County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.005.  CORRECTION OF INVALID PROCEDURES.  If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B.  DISTRICT ADMINISTRATION
Sec. 1065.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.052. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Motley County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by not less than five registered voters; and
(2) filed at least 25 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.054. QUALIFICATIONS FOR OFFICE. A director must:

(1) be a district resident;
(2) own land in the district subject to taxation; and
(3) be at least 18 years of age when appointed or elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.055. BOND NOT REQUIRED. A director is not required to post a public official's bond.
Sec. 1065.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.057. OFFICERS. The board shall elect from among its members a president and a secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.058. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.059. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1065.060. EMPLOYEES. The board may employ a general manager, attorney, bookkeeper, and architect and any other employees considered necessary for the efficient operation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. All district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and
(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.062. SEAL. The board may adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1065.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants and for the district's needy and indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Motley County or a municipality in the district may not impose a tax on property in the district for hospital purposes.
Sec. 1065.103. MANAGEMENT AND CONTROL. The management and control of the district are vested in the board.

Sec. 1065.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system to provide medical and hospital care to the district's residents by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements;
(2) equipping the buildings and improvements; and
(3) administering the buildings and improvements for hospital purposes.

Sec. 1065.105. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.

Sec. 1065.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and
(2) the method of purchasing necessary supplies, materials, and equipment.
Sec. 1065.107. DISTRICT PROPERTY AND FACILITIES.  (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system. Nothing here prohibits the establishing and equipping of a clinic as part of the hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

Sec. 1065.108. EMINENT DOMAIN.  (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the property interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1065.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.110. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.111. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the board determines that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.
(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district’s designated agent, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue an appropriate order.

(f) The order may be appealed to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.112. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1065.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:
   (1) proposed expenditures and disbursements;
   (2) estimated receipts and collections; and
   (3) the amount of taxes required to be imposed for the year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

   (b) Notice of the hearing must be published at least once in a newspaper of general circulation in Motley County not later than the 10th day before the date of the hearing.

   (c) Any district taxpayer is entitled to:
       (1) appear at the time and place designated in the notice; and
       (2) be heard regarding any item included in the proposed budget.
Sec. 1065.153. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Sec. 1065.154. ANNUAL AUDIT. The board annually shall have an independent audit made of the district's books and records.

Sec. 1065.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in Motley County as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.

(b) All district money shall be secured in the manner provided for securing county funds.

SUBCHAPTER E. BONDS

Sec. 1065.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith of the district for any purpose relating to:

1. the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
2. equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1065.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued under Section 1065.201 as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election.

(b) The board may call the election on its own motion.

(c) The order calling the election must specify:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the presiding election officers;
   (4) the purpose of the bond issuance;
   (5) the amount of the bonds to be authorized;
   (6) the maximum interest rate of the bonds; and
   (7) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Motley County once each week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.
Sec. 1065.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.206. REVENUE OR SPECIAL OBLIGATION BONDS. (a) The board may issue and sell revenue or special obligation bonds for the purposes provided by Section 1065.201.

(b) Special obligation bonds must be payable from the revenue of the district's entire hospital system, including that portion originally acquired and all past or future extensions, additions, or replacements, excluding taxes, after deducting the cost of maintaining and operating the system. For purposes of this subsection, the cost of maintaining and operating the system:

(1) may include only the items set forth and defined in the resolution authorizing the bond issuance; and

(2) may not include the cost of providing medical or hospital care for the district's needy inhabitants.

(c) A cost described by Subsection (b)(2) is a maintenance and operating expense for budget and tax purposes.

(d) The district may issue revenue bonds without an election.

(e) Revenue bonds may be additionally secured by:

(1) a mortgage or deed of trust on real property;

(2) a chattel mortgage on the district's personal property;

or

(3) both.

(f) The board may issue bonds that are a junior lien on the district's net revenue or property and additional parity bonds under conditions specified in the bond resolution or trust indenture.

(g) Money for the payment of not more than two years' interest on the bonds and an amount the board estimates will be required for maintenance and operating expenses during the first two years of
operation may be set aside out of the proceeds from the sale of the bonds.

(h) A revenue bond issued by the district must contain the provision: "The holder of the bond may not demand payment of this bond or appurtenant coupons out of money raised or to be raised by taxation."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.207. CHARGES FOR SERVICES RENDERED. If the board issues revenue bonds, the board shall charge and collect rates for services rendered by the hospital system that are sufficient to:

(1) pay the maintenance and operating expenses described by Section 1065.206;
(2) pay the principal of and interest on the bonds as each becomes due; and
(3) create and maintain a bond reserve fund and other funds as provided in the bond resolution or trust indenture.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1065.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds issued by the district for hospital purposes; and

(2) provide for the maintenance and operation of the district and hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable
property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1065.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Motley County shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1066. MOULTON COMMUNITY MEDICAL CLINIC DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1066.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Moulton Community Medical Clinic District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1066.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Moulton Independent School District of Lavaca County, Texas, as those boundaries existed on August 28, 1989.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1066.051. BOARD ELECTION; TERM. (a) The district is governed by a board of nine directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and

(2) an election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.052. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be
Sec. 1066.053. QUALIFICATIONS FOR OFFICE. To be eligible to be a candidate for or to serve as a director, a person must be:
(1) a district resident; and
(2) a qualified voter.

Sec. 1066.054. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Sec. 1066.055. OFFICERS. (a) The board shall elect a president, vice president, and treasurer from among its members. 
(b) The board shall appoint a secretary, who need not be a director.
(c) Each officer of the board serves for a term of one year.
(d) The board shall fill a vacancy in a board office for the unexpired term.

Sec. 1066.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.057. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.058. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to compensation determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in the amount determined by the board of not less than $5,000 that is:
   (1) payable to the district; and
   (2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

   (1) supervise the work and activities of the district; and
   (2) direct the general affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a)
The board may appoint qualified persons as:

(1) the assistant district administrator; and
(2) the attorney for the district.

(b) The attorney for the district and the assistant district administrator serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ district employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.062. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1066.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.102. RESTRICTION ON COUNTY AND MUNICIPALITY TAXATION AND DEBT. Lavaca County and the City of Moulton may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the clinic or a hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.104. RULES. The board may adopt rules governing:
(1) the operation of the clinic or a hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1066.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine:

(1) the type, number, and location of buildings required to maintain the clinic or an adequate hospital system; and

(2) the type of equipment necessary for medical care.

(b) The board may:

(1) acquire property, including facilities and equipment, for the district for the clinic or the hospital system; and

(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease district facilities for the district.

(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.107. EMINENT DOMAIN.

(a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1066.108. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.110. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility for the district.
Sec. 1066.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or

(2) provide for the investigatory or welfare needs of district inhabitants.

Sec. 1066.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; or

(2) a relative of the patient who is legally responsible for the patient's support.

(b) The district without charge shall provide to a patient who resides in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative who was legally responsible for the patient's support in the manner provided by law for collection of expenses of the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an
individual's ability to pay, the board shall:
   (1) call witnesses;
   (2) hear and resolve the question; and
   (3) issue a final order.
   (f) A final order of the board may be appealed to a district court in Lavaca County. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.114. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.
   (b) The board shall require the sheriff of Lavaca County or the police chief of the City of Moulton to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Lavaca County or the City of Moulton and is not a district resident.
   (c) The board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.115. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 1066.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.
(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand in each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1066.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:
   (1) when revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

   (1) a sworn statement of the amount of district money; and
   (2) an account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1066.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1066.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and must remain on deposit. This subsection does not limit the power of the board to place a portion of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1066.110, 1066.201, 1066.204, and 1066.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1066.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements; or
(2) equip buildings or improvements for clinic or hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1066.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election.

(c) The order calling the election must specify:

(1) the nature and date of the election;
(2) the hours during which the polls will be open;
(3) the location of the polling places;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.204. REVENUE BONDS. (a) The board may issue revenue
bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for clinic or hospital purposes; or
(2) acquire sites to be used for clinic or hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the clinic or the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the
manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

1. bonds issued by the district;
2. any transaction relating to the bonds; and
3. profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1066.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

1. indebtedness issued or assumed by the district; and
2. the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1066.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1066.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1067. MUNSTER HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 1067.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Muenster Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.002. AUTHORITY FOR CREATION. The Muenster Hospital District is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 2a, Chapter 477, Acts of the 59th Legislature, Regular Session, 1965.
Sec. 1067.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 886, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1067.051. BOARD ELECTION; TERM. (a) The district consists of nine elected directors.

(b) Directors serve staggered three-year terms.

(c) An election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

(d) The election order must state the time, place, and purpose of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.052. NOTICE OF ELECTION. Notice of an election of directors shall be published one time in a newspaper of general circulation in the area of the district in accordance with Section 4.003(a)(1), Election Code.
Sec. 1067.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible to serve as a director, a person must be:
(1) a resident of the district; and
(2) a qualified voter.
(b) A district employee may not serve as a director.

Sec. 1067.054. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

Sec. 1067.055. OFFICERS. (a) The board shall elect a president and a vice president from among its members.
(b) The board shall appoint a secretary, who need not be a director.
(c) Each officer serves for a term of one year.
(d) The president is the chief executive officer of the district and has the same right to vote as any other director.
(e) If the president is absent or fails and declines to act, the vice president shall perform the president's duties and exercise the president's powers under this chapter.

Sec. 1067.056. COMPENSATION; EXPENSES. A director is not
entitled to compensation but is entitled to reimbursement for actual expenses incurred in attending to district business. The expenses must be:

(1) reported in the district's records; and
(2) approved by the remainder of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 886, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1067.057. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.

(a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

(d) The board may require the district administrator, before assuming the administrator's duties, to execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the faithful performance of the administrator's duties; and

(2) contains other conditions the board may require.

(e) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 886, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1067.058. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the hospital; and

(2) direct the affairs of the district.
Sec. 1067.059. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board, with the district administrator, may appoint to the staff any doctors the board considers necessary for the efficient operation of the district.
(b) The board may employ technicians, nurses, and other employees as considered necessary for the efficient operation of the hospital or may provide that the district administrator has the authority to admit or employ those persons.
(c) The board may spend district money to recruit physicians, nurses, and other trained medical personnel. The board may pay the tuition or other expenses of a full-time medical student or other student in a health occupation who:
(1) is enrolled in and is in good standing at an accredited medical school, college, or university; and
(2) contractually agrees to become a district employee or independent contractor in return for that assistance.

Sec. 1067.060. PERSONNEL CONTRACTS. (a) The board may contract to provide administrative and other personnel for the operation of the hospital facilities.
(b) The term of the contract may not exceed 25 years from the date the contract is entered.

Sec. 1067.061. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:
(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the
district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 1067.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:
   (1) operating all hospital facilities for providing medical
       and hospital care of the indigent persons in the district; and
   (2) providing medical and hospital care for the district's
       needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION
AND DEBT. A political subdivision located within the district may
not impose a tax or issue bonds or other obligations for hospital
purposes for medical treatment of indigent persons in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The
board shall manage, control, and administer the hospital, the
hospital system, and the district's business, money, and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.104. HOSPITAL OR HOSPITAL SYSTEM. (a) The district
shall provide for the establishment, administration, maintenance,
operation, and financing of a hospital or hospital system in the district.

(b) The district may provide any services or facilities necessary for hospital or medical care, including:

(1) rural health clinics;
(2) outpatient clinics;
(3) nursing homes;
(4) home health care agencies;
(5) extended care facilities;
(6) assisted living or personal care facilities; and
(7) retirement, housing, and medical office buildings.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board has exclusive authority to determine the type, character, and use of facilities in the hospital system.

(b) The board may:

(1) purchase or lease property, including facilities or equipment, for the district to use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.
(c) The board may lease district hospital facilities to individuals, corporations, or other legal entities.

(d) The board may sell or otherwise dispose of the district's property, including facilities and equipment.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the agency is responsible.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 886, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1067.111. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an indigent patient who resides in the district is admitted to a district facility or a person who does not reside in the district is admitted as an emergency patient to a district facility, the district administrator shall have an inquiry made into the circumstances of:
(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district as care for indigents.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1067.112. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1067.151. BUDGET. Not later than the 30th day before the first day of each fiscal year, the board shall have an annual budget prepared for that fiscal year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 886, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1067.152. NOTICE; ADOPTION OF BUDGET. (a) Not later than the 30th day before the first day of each fiscal year, the board shall give notice of a public hearing on the proposed budget. The notice must be published in a newspaper of general circulation in the district one time at least 10 days before the date set for the hearing.

(b) The board shall adopt a budget by acting on the budget proposed by the district administrator.

(c) The budget is effective only after adoption by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.154. FISCAL YEAR. (a) The district operates
according to a fiscal year established by the board.

(b) The fiscal year may not be changed:
   (1) during a period that revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.155. ANNUAL AUDIT. (a) The board annually shall have an audit made of the district's financial condition.
   (b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.156. DEPOSITORY. (a) The board shall select one or more banks to serve as a depository for district money.
   (b) District money shall be immediately deposited on receipt with a depository bank to pay the principal of and interest on the district's outstanding bonds on or before the maturity date of the principal and interest.
   (c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.
   (d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being selected as a depository bank.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.157. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.
(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the district's bonded indebtedness;
   (2) district taxes to be imposed by the district during the 12-month period following the date of the pledge that are not pledged to pay the principal of or interest on district bonds; or
   (3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 91, Sec. 22.010, eff. September 1, 2011.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
   Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.009(a), eff. September 1, 2011.
   Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.010, eff. September 1, 2011.

**SUBCHAPTER E. BONDS**

Sec. 1067.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:
   (1) purchase, construct, acquire, repair, or renovate buildings or improvements;
   (2) equip buildings or improvements for hospital purposes; or
   (3) acquire and operate a mobile emergency medical or air ambulance service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) For general obligation bonds issued under Section 1067.201, the board shall impose an ad valorem tax at a rate sufficient to create an
interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election.

(c) The order calling the election must specify:
(1) the nature and date of the election;
(2) the hours during which the polls will be open;
(3) the location of the polling places;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the bond election.

(f) Except as otherwise provided by this chapter, the election is governed by the general laws relating to county elections.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

The following section was amended by the 86th Legislature. Pending
publication of the current statutes, see H.B. 886, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1067.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall attest the bonds as provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.206. REVENUE BONDS. (a) The district may issue revenue bonds to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospitals and the hospital system;

(3) acquire sites to be used for hospital purposes; or

(4) operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.207. REFUNDING BONDS. (a) The board may issue refunding bonds to refund any bond issued by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding bonds or other refundable indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of the outstanding bonds or other refundable indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer of the bonds; or
(3) bond revenue, including any profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1067.202 and revenue and other sources authorized by Section 1067.206.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.008(a), eff. September 1, 2011.

Sec. 1067.210. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or
construction, not to exceed five years; and
(B) for one year after the project or facility is acquired or constructed;
(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
(5) costs related to the bond issuance;
(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and
(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.008(a), eff. September 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1067.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.
(b) The tax may be used to pay:
(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.
(c) The board may not impose a tax to pay the principal of or interest on revenue bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.
(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1067.253.  TAX ASSESSOR-COLLECTOR.  The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 1067.301.  DISSOLUTION; ELECTION.  (a)  The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b)  The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c)  The board shall order an election if the board receives a petition requesting an election that is signed by a number of residents of the district equal to at least 15 percent of the registered voters in the district.

(d)  The order calling the election must state:

(1)  the nature of the election, including the proposition to appear on the ballot;

(2)  the date of the election;

(3)  the hours during which the polls will be open; and

(4)  the location of the polling places.

(e)  Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.302.  NOTICE OF ELECTION.  (a)  The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b)  The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1067.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Muenster Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Cooke County or another governmental entity in Cooke County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1067.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) Notwithstanding any other provision of this chapter, the district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of the district's assets or liabilities may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(d) The district may not transfer or dispose of the district's assets except for due compensation unless:

(1) the transfer is made to another governmental entity that serves the district; and

(2) the transferred assets are to be used for the benefit of the district's residents.

(e) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 886, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1067.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax
money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1067.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Cooke County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Cooke County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1068. MULESHOE AREA HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1068.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Muleshoe Area Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.
Sec. 1068.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1.03, Chapter 45, Acts of the 71st Legislature, Regular Session, 1989.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1068.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors elected by place.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and
(2) an election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.052. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 294, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1068.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must:

(1) be signed by at least 25 registered voters of the district as determined by the most recent official list of registered voters;

(2) be filed not later than the 31st day before the date of the election; and

(3) specify the place for which the person is to be a candidate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

(1) a district resident; and

(2) a qualified voter.

(b) A district employee may not serve as a director.
Sec. 1068.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Sec. 1068.056. OFFICERS. (a) The board shall elect a president and a vice president from among its members.
   (b) The board shall appoint a secretary, who need not be a director.
   (c) Each officer of the board serves for a term of one year.
   (d) The board shall fill a vacancy in a board office for the unexpired term.

Sec. 1068.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
   (1) reported in the district's records; and
   (2) approved by the board.

Sec. 1068.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.
Sec. 1068.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in the amount determined by the board of not less than $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:

(1) the assistant district administrator; and

(2) the attorney for the district.

(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board
may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1068.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.102. RESTRICTION ON COUNTY TAXATION AND DEBT. Bailey and Parmer Counties may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.
Sec. 1068.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Sec. 1068.104. RULES. The board may adopt rules governing:
   (1) the operation of the hospital and hospital system; and
   (2) the duties, functions, and responsibilities of district staff and employees.

Sec. 1068.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
   (1) the method of making purchases and expenditures by and for the district; and
   (2) accounting and control procedures for the district.

Sec. 1068.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

Sec. 1068.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
   (a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.

(b) The board may:
(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease hospital facilities for the district.

(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or
electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.111. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; or
(2) a relative of the patient who is legally responsible for the patient's support.

(b) The district without charge shall provide to a patient who resides in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative who was legally responsible for the patient's support in the manner provided by law for collection of expenses of the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:

(1) call witnesses;
(2) hear and resolve the question; and
(3) issue a final order.

(f) A final order of the board may be appealed to a district...
court in the county in which the district is located. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.115. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Bailey County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Bailey County and is not a district resident.

(c) The board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1068.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;

(2) the amount of cash on hand in each district fund;

(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all
sources during the ensuing year;
(5) the amount of the balances expected at the end of the
year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available
to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1068.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The
board shall hold a public hearing on the proposed annual budget.
(b) The board shall publish notice of the hearing in a
newspaper with general circulation in the district not later than the
10th day before the date of the hearing.
(c) Any district resident is entitled to be present and
participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a
budget by acting on the budget proposed by the district
administrator. The board may make any changes in the proposed budget
that the board judges to be in the interests of the taxpayers.
(e) The budget is effective only after adoption by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1068.153. AMENDMENTS TO BUDGET. After adoption, the
annual budget may be amended on the board's approval.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1068.154. RESTRICTION ON EXPENDITURES. Money may be spent
only for an expense included in the budget or an amendment to the
budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1068.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:
(1) when revenue bonds of the district are outstanding; or
(2) more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and
(2) an account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by
Section 1068.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and must remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1068.111, 1068.201, 1068.204, and 1068.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1068.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1068.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1068.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election.

(c) The order calling the election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of the polling places;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

   (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;
   (2) acquire sites to be used for hospital purposes; or
(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) Refunding bonds may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
Sec. 1068.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1068.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The
board may order an election to increase the district's maximum ad valorem tax rate.

(b) The order calling the election must state:
(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(c) The board shall give notice of the election by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district. The first publication must appear at least 35 days before the date set for the election.

(d) The ballot for the election must be printed to permit voting for or against the proposition: "The levy of annual taxes by the board of directors of the Muleshoe Area Hospital District for hospital purposes at a rate not to exceed ____ cents on each $100 valuation of all taxable property in the district subject to hospital district taxation."

(e) If the board finds that the election results favor the proposition, the board may impose taxes as authorized by the proposition. If the board finds that the election results do not favor the proposition, another election on raising the district's maximum tax rate may not be held before the first anniversary of the date of the most recent election at which voters disapproved the proposition.

(f) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1068.254. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
CHAPTER 1069. NACOGDOCHES COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1069.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Nacogdoches County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.002. AUTHORITY FOR OPERATION. The Nacogdoches County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.004. DISTRICT TERRITORY. Unless the district's boundaries are expanded under Subchapter D, the boundaries of the district are coextensive with the boundaries of Nacogdoches County, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.
Sec. 1069.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Sec. 1069.051. BOARD ELECTION; TERM. (a) The board consists of:

(1) one director elected from each commissioners precinct; and

(2) three directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and

(2) an election shall be held annually on the May uniform election date, or another date authorized by law, to elect the appropriate number of directors.

Sec. 1069.052. NOTICE OF ELECTION. At least 10 days before the date of a directors' election, notice of the election must be published one time in a newspaper of general circulation in the county.
Sec. 1069.053. BALLOT PETITION. (a) A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must:
(1) be signed by not fewer than 25 qualified voters;
(2) be filed by the deadline imposed by Section 144.005, Election Code; and
(3) specify the commissioners precinct the person wants to represent or specify that the person wants to represent the district at large.
(b) The board secretary may accept the petition only if it is accompanied by evidence showing that the candidate has the qualifications required by Section 1069.054.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:
(1) a resident of the district; and
(2) a qualified voter.
(b) A director elected or appointed to represent a commissioners precinct must be a resident of that commissioners precinct.
(c) A district employee may not serve as a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.
(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.
Sec. 1069.056. OFFICERS. (a) The board shall elect:
    (1) a president and a vice president from among its members; and
    (2) a secretary, who need not be a director.
(b) Each officer of the board serves a one-year term.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Sec. 1069.057. QUORUM; VOTING REQUIREMENT. (a) Any four directors constitute a quorum.
(b) A majority of the directors voting must concur in any matter relating to district business.

Sec. 1069.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.
(b) The board may appoint an assistant administrator.
(c) The district administrator and any assistant administrator serve at the will of the board and receive the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
    (1) is conditioned on the administrator performing the administrator's duties; and
    (2) contains any other condition the board requires.
Sec. 1069.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to any limitation prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.060. STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors and employ any technician, nurse, or other employee the board considers necessary for the efficient operation of the district.

(b) The district may employ fiscal agents, accountants, architects, and attorneys as the board considers proper.

(b-1) The board may employ physicians, but only as provided by Section 1069.0605.

(c) Except as provided by Section 1069.0605, the board may provide that the district administrator has the authority to employ district employees, including technicians and nurses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 292 (H.B. 1247), Sec. 1, eff. June 14, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 292 (H.B. 1247), Sec. 2, eff. June 14, 2013.

Sec. 1069.0605. EMPLOYMENT OF PHYSICIANS. (a) The board may employ a physician and retain all or part of the professional income generated by the physician for medical services provided at a hospital or other health care facility owned or operated by the district if the board satisfies the requirements of this section.

(b) The board shall:

(1) appoint a chief medical officer for the district who has been recommended by the medical staff of the district; and
(2) adopt, maintain, and enforce policies to ensure that a physician employed by the district exercises the physician's independent medical judgment in providing care to patients.

(c) The policies adopted under this section must include:

(1) policies relating to:
   (A) credentialing and privileges;
   (B) quality assurance;
   (C) utilization review;
   (D) peer review and due process; and
   (E) medical decision-making; and

(2) the implementation of a complaint mechanism to process and resolve complaints regarding interference or attempted interference with a physician's independent medical judgment.

(d) The policies adopted under this section must be approved by the district medical staff. The district medical staff and the board shall jointly develop and implement a conflict management policy to resolve any conflict between a medical staff policy and a board policy.

(e) For all matters relating to the practice of medicine, each physician employed by the district shall ultimately report to the chief medical officer of the district.

(f) The chief medical officer shall notify the Texas Medical Board that the board is employing physicians under this section and that the chief medical officer is the board's designated contact with the Texas Medical Board. The chief medical officer shall immediately report to the Texas Medical Board any action or event that the chief medical officer reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

(g) The board shall give equal consideration regarding the issuance of medical staff membership and privileges to physicians employed by the district and physicians not employed by the district.

(h) A physician employed by the district shall retain independent medical judgment in providing care to patients and may not be disciplined for reasonably advocating for patient care.

(i) If the district provides professional liability coverage for physicians employed by the district, a physician employed by the district may participate in the selection of the professional liability coverage, has the right to an independent defense at the physician's own cost, and retains the right to consent to the
(j) If a physician employed by the district enters into an employment agreement that includes a covenant not to compete, the agreement is subject to Section 15.50, Business & Commerce Code.

(k) The board may not delegate to the chief executive officer of the district the authority to hire a physician.

(l) This section applies to medical services provided by a physician at a hospital or other health care facility owned or operated by the district.

(m) The authority granted to the board under this section to employ physicians shall apply as necessary for the district to fulfill the district's statutory mandate to provide medical care for the indigent and needy residents of the district as provided by Section 1069.101.

(n) This section may not be construed as authorizing the board to supervise or control the practice of medicine as prohibited under Subtitle B, Title 3, Occupations Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 292 (H.B. 1247), Sec. 3, eff. June 14, 2013.

Sec. 1069.061. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1069.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1069.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.104. HOSPITAL SYSTEM. (a) The district shall provide for:

(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   (B) equipping the buildings; and
(2) the administration of the hospital system for hospital purposes.

(b) The hospital system may include:
(1) domiciliary care and treatment of the sick, injured, or geriatric;
(2) outpatient clinics;
(3) dispensaries;
(4) convalescent home facilities;
(5) necessary nurses;
(6) domiciliaries and training centers;
(7) blood banks;
(8) community mental health centers;
(9) research centers or laboratories; and
(10) any other facilities the board considers necessary for hospital care.
Sec. 1069.105. RULES. The board may adopt rules for the operation of the district, including rules governing:
(1) the operation of the hospital and hospital system;
(2) the duties, functions, and responsibilities of district staff and employees; and
(3) the acquisition of goods or services.

Sec. 1069.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) Except as provided by Section 1069.112, the board may prescribe:
(1) procedures for the acquisition of goods or services, including the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.
(b) In making purchases, the board may determine the method of purchase that provides the best value to the district, including:
(1) competitive bidding;
(2) competitive sealed proposals;
(3) catalogue purchase;
(4) a group purchasing program; or
(5) an open market contract.
(c) In determining what is the best value to the district, the board shall consider:
(1) the purchase price;
(2) the reputation of the vendor and of the vendor's goods or services;
(3) the quality of the vendor's goods or services;
(4) the extent to which the goods or services meet the district's needs;
(5) the vendor's past relationship with the district;
(6) the total long-term cost to the district of acquiring the vendor's goods or services; and
(7) any other relevant factor that a private business
entity would consider in selecting a vendor.

(d) The state auditor may audit purchases of goods or services by the district.

(e) To the extent of any conflict, this section prevails over any other law relating to the purchasing of goods and services.

(f) Chapters 2151 and 2254, Government Code, do not apply to purchases of goods and services made under this section.

(g) The board may incur an obligation, including a lease or lease-purchase agreement for real property, facilities, or equipment for use in the hospital system, payable from the pledged sales and use tax revenue of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.

(b) The board may:

(1) acquire real property, facilities, and equipment for the district for use in the hospital system in the manner determined by the board;

(2) lease to physicians, individuals, companies, corporations, or other legal entities or acquire by lease or by lease-purchase agreement real property, facilities, or equipment for use in the hospital system on terms the board determines are in the best interest of district residents; and

(3) sell or otherwise dispose of district real property, facilities, or equipment on terms the board determines are in the best interest of district residents.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the acquired property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1069.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient to a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under any direction, limitation, or other provision prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.110. CHARITABLE ORGANIZATION. (a) In this section, "charitable organization" means an organization that is eligible for an exemption from federal income tax under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization by Section 501(c)(3) or (4) of that code.
(b) The board may facilitate the achievement of district purposes by creating a charitable organization to:

(1) provide or arrange for hospital and health care services;

(2) develop resources for hospital and health care services; and

(3) provide ancillary support services for the district.

(c) A charitable organization created under this section is a unit of local government for purposes of Chapter 101, Civil Practice and Remedies Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.111. NONPROFIT CORPORATION. (a) The board, on the district's behalf, may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use money, other than money the corporation pays to the district, only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish adequate controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.112. CONSTRUCTION OR EQUIPMENT PURCHASE CONTRACTS. A contract for construction or the purchase of equipment that involves the expenditure of more than $25,000 may be made only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1069.113. OPERATING AND MANAGEMENT CONTRACTS. The district, through its board, may enter into an operating or management contract relating to a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.114. CONTRACTS FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.115. CONTRACTS WITH POLITICAL SUBDIVISION FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

1. furnish a mobile emergency medical service;
2. provide for the investigatory or welfare needs of district inhabitants; or
3. provide a rural health clinic to care for the inhabitants of the contracting political subdivision.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.116. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

1. the patient; and
2. the patient's relatives legally liable for the
patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the patient's care and treatment, the administrator shall issue an order directing the patient or those relatives to pay the district a specified amount during an agreed term for the patient's care and support. The amount ordered must be proportionate to their financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate order.

(f) The final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.117. REIMBURSEMENT FOR SERVICE. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of a county or the police chief of a municipality to reimburse the district for the district's care and treatment of a person confined in a jail facility of the county or municipality who is not a district resident.

(c) The board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1069.118. AUTHORITY TO SUED AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1069.151. PETITION TO EXPAND DISTRICT TERRITORY. (a) Registered voters of a defined territory not included in the district may file a petition with the board secretary requesting inclusion of the territory in the district.

(b) The petition must be signed by at least 50 registered voters of the territory or a majority of those voters, whichever is fewer.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.152. HEARING. (a) The board by order shall set a time and place to hold a hearing on a petition to include a defined territory in the district.

(b) The board shall set a date for the hearing that is after the 30th day after the date the board issues the order.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.153. ORDER OF ANNEXATION. (a) If, after a hearing under Section 1069.152, the board finds that annexation of the defined territory into the district would be feasible and would benefit the district, the board may approve the annexation by a resolution entered in its minutes.

(b) The board is not required to include in the annexation all territory described in the petition if the board finds that a modification or change is necessary or desirable.
Sec. 1069.154. RATIFICATION ELECTION. (a) Annexation of territory is final when approved by a majority of the voters at:
(1) an election held in the district; and
(2) a separate election held in the territory proposed to be annexed.

(b) The order calling the election shall provide for clerks as in county elections and must specify:
(1) the date of the election;
(2) the location of the polling places;
(3) the form of the ballot; and
(4) the presiding and alternate election judges for each polling place.

(c) Notice of the election shall be given by publishing a substantial copy of the election order in a newspaper of general circulation in the county once each week for two consecutive weeks. The first publication must occur at least 30 days before the date of the election.

(d) Section 41.001(a), Election Code, does not apply to an election held under this section.

Sec. 1069.155. ASSUMPTION OF DEBT AND TAXES. If the district has outstanding debts or taxes, the voters in an election to approve annexation under Section 1069.154 must determine whether the annexed territory will assume its portion of the debts or taxes on annexation.

Sec. 1069.156. BALLOT. The ballot for an election under Section 1069.154 shall be printed to permit voting for or against the following, as applicable:
(1) "Adding (description of territory to be added) to the Nacogdoches County Hospital District."
(2) "(Description of territory to be added) assuming its proportionate share of the outstanding debts and taxes of the Nacogdoches County Hospital District, if it is added to the district."

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS**

Sec. 1069.201. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) cash on hand to the credit of each district fund;
(3) money received by the district from all sources during the previous year;
(4) money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.202. NOTICE; HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall act on the budget as proposed by the board president. The board may make any changes in the proposed budget that the board judges to be in the
interest of the taxpayers and the law warrants. The budget must be approved by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.203. AMENDMENTS TO BUDGET. The annual budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.204. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the annual budget or an amendment to the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.205. FISCAL YEAR. The district operates according to a fiscal year that begins on July 1 and ends on June 30.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.206. AUDIT. The district shall have an audit made of the district's financial condition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.207. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1069.208. FINANCIAL REPORT. As soon as practicable after
the close of each fiscal year, the district administrator shall
prepare for the board:
(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1069.209. DEPOSITORY. (a) The board shall select one or
more banks in the district to serve as a depository for district
money.
(b) All district money shall be immediately deposited on
receipt with a depository bank, except that sufficient money must be
remitted to the place or places designated as agent for the payment
of principal of and interest on the district's outstanding bonds or
other obligations assumed by the district in time for the agent to
make that payment on or before the maturity date of the principal and
interest.
(c) To the extent that money in a depository bank is not
insured by the Federal Deposit Insurance Corporation, the money must
be secured in the manner provided by law for the security of county
funds.
(d) Membership on the district's board of an officer or
director of a bank does not disqualify the bank from being designated
as depository.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1069.210. SPENDING RESTRICTIONS. Except as provided by
Sections 1069.106, 1069.107, and 1069.211 and by Subchapter F, the
district may not incur an obligation payable from district revenue
other than the revenue on hand or to be on hand in the current and
immediately following district fiscal years.
Sec. 1069.211. ECONOMIC DEVELOPMENT. The district may allocate a portion of its annual sales and use tax revenue, not to exceed one-fourth of one percent, to encourage economic development in the district as described by Section 52-a, Article III, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.212. AUTHORITY TO BORROW MONEY. (a) Pending receipt of accounts receivable, the board may borrow money for the payment of maintenance and operating expenses of the district.

(b) A loan obtained by the district under this section must be repaid not later than one year after the date on which the loan is made.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 1069.251. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to the purchase, construction, acquisition, repair, or renovation of buildings or improvements and equipping of buildings or improvements for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on
the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district subject to hospital district taxation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.253. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling a bond election shall provide for clerks as in county elections and must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized;
(5) the maximum interest rate of the bonds; and
(6) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.254. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1069.255. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.256. EXECUTION OF BONDS. District bonds shall be executed in the manner provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.257. OTHER OBLIGATIONS. Notwithstanding Sections 1069.251 through 1069.256, the board may issue and sell bonds, notes, or other obligations that are payable from the district's sales and use tax revenues to:

1. acquire land for the hospital system; or
2. purchase, construct, acquire, repair, or renovate buildings, improvements, or equipment related to the hospital system.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.258. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

1. bonds issued by the district;
2. the transfer and issuance of the bonds; and
3. profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER G. TAXES

Sec. 1069.301. IMPOSITION OF AD VALOREM TAX. (a) The board
shall impose a tax on all taxable property in the district subject to district taxation.

(b) The board shall impose the tax to pay:
   (1) indebtedness issued or assumed by the district; and
   (2) the maintenance and operating expenses of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.302. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of the taxable property in the district subject to hospital district taxation.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.303. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. Unless the board by majority vote elects to have taxes assessed and collected under Section 1069.304, the tax assessor-collector of the county in which the district is located shall assess and collect taxes imposed by the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1069.304. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must be a district resident.

(c) The board shall prescribe for the district tax assessor-collector the term of employment and compensation.
CHAPTER 1070. HANSFORD COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1070.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Hansford County Hospital District.

Sec. 1070.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Sec. 1070.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Sec. 1070.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hansford County, Texas, unless the boundaries are expanded under Subchapter D.

Sec. 1070.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution
of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1070.051. BOARD; TERM. (a) The board consists of six directors appointed by the Commissioners Court of Hansford County unless the method for selecting directors is changed under Section 1070.052.

(b) Directors serve staggered two-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.052. PETITION TO CHANGE METHOD FOR SELECTING DIRECTORS; ELECTION. (a) The Commissioners Court of Hansford County shall order an election on the question of electing directors if the court receives a petition requesting that action signed by at least 250 registered district voters who own taxable property in the district as of the date the petition is presented to the court. The election shall be held within 90 days of the date the petition is
presented and notice of the election is given as provided by Section 1251.003, Government Code.

(b) The order calling the election must:
   (1) specify the date of the election, the location of the polling places, and the presiding judge and alternate judge for each voting place; and
   (2) provide for clerks as in a county election.

(c) The ballot shall be prepared to allow voting for or against the proposition: "Providing the office of director of the Hansford County Hospital District shall hereafter be an elective office."

(d) If a majority of the district voters voting in the election favor the proposition:
   (1) directors in office at the time of the election shall serve the terms for which the directors were appointed; and
   (2) successor directors shall be elected as provided by Section 1070.053.

(e) Another election on the question of electing directors may not be held before the third anniversary of the date of the most recent election on electing directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.053. DIRECTORS' ELECTION. (a) If a majority of the votes in an election under Section 1070.052 favor electing the directors, an election shall be held on the uniform election date in May of each year.

(b) The order calling a directors' election must specify the time, place, and purpose of the election.

(c) A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:
   (1) signed by at least 50 registered voters; and
   (2) filed at least 25 days before the date of the election.

(d) At least five days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in the district.

(e) Unless four-year terms are established under Section 285.081, Health and Safety Code, elected directors serve staggered
two-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.054. QUALIFICATIONS FOR OFFICE. (a) A person may not serve as a director unless the person is:
(1) a district resident; and
(2) a qualified voter.
(b) A person is not eligible to serve as a director if the person is:
(1) the district administrator; or
(2) a district employee.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.055. BOARD VACANCY. (a) If a vacancy occurs in the office of an appointed director, the commissioners court shall appoint a director for the unexpired term.
(b) If a vacancy occurs in the office of an elected director, the remaining directors by majority vote shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.056. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1070.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.059. ADMINISTRATORS; ASSISTANT ADMINISTRATORS. (a) The board shall appoint qualified persons as administrators of the district or the ancillary health care facilities.

(b) The board may appoint assistant administrators.

(c) The administrators and any assistant administrators serve at the will of the board and are entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and
(2) contains other conditions the board may require.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district;
(2) direct the affairs of the district; and
(3) have overall management responsibility for ancillary health care facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors and allied health personnel the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary. (b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper. (c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.062. RECRUITMENT OF STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to recruit physicians, ancillary and allied health professionals, and other persons to serve on the district's medical staff or to be employed by the district, including: (1) advertising and marketing; (2) paying travel, recruitment, and relocation expenses; (3) providing a loan or scholarship to a physician or other person who: (A) is enrolled in health care education courses at an institution of higher education; and (B) contractually agrees to become a district employee or medical staff member; and (4) providing on a rent-free basis or subsidizing the cost of office space or other facilities for a health care professional, including a physician.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1070.063. HEALTH CARE AND PROFESSIONAL EDUCATIONAL PROGRAMS. The board may spend district money, enter into agreements, and take other necessary action to conduct, participate in, or otherwise assist in providing health care and professional educational, development, or retraining programs for current or prospective medical staff members or district employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.064. DAY-CARE SERVICES. (a) The board may take any action to provide day-care services for the district's medical staff members, allied health professionals, officers, directors, and employees, including:

   (1) spending district money;
   (2) entering into agreements; and
   (3) acquiring by lease, purchase, or lease to purchase facilities, supplies, and equipment.

(b) The district may provide day-care services to district residents as space permits.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.065. SENIORITY; RETIREMENT BENEFITS. The board may:

   (1) adopt rules related to the seniority of district employees, including rules for a retirement plan based on seniority; and

   (2) give effect to previous years of service for a district employee continuously employed in the operation or management of hospital or ancillary health care facilities:

       (A) constructed by the district; or
       (B) acquired by the district, including facilities acquired when the district was created.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1070.066. LIABILITY INSURANCE; INDEMNIFICATION. (a) The board may defend or indemnify an officer, director, board appointee, medical staff member, or district employee against or from a claim, expense, or liability arising from duties performed in that capacity, including a duty performed at a district facility.

(b) The board may purchase and maintain liability insurance coverage or establish a self-insurance program to fund an indemnity obligation under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1070.101. DISTRICT RESPONSIBILITY. (a) The district has full responsibility for providing hospital services for the district's indigent residents.

(b) The district may assume full responsibility for providing ancillary health care services for the district's indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1070.104. HOSPITAL SYSTEM; ANCILLARY HEALTH CARE SERVICES SYSTEM. (a) The district shall provide for the establishment of a hospital system by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the buildings and equipment for hospital purposes.

(b) The hospital and ancillary health care services systems may include:

(1) facilities and equipment to provide domiciliary care and treatment of the sick or injured;
(2) outpatient clinics;
(3) dispensaries;
(4) geriatric domiciliary care;
(5) convalescent home facilities;
(6) physicians' offices;
(7) home health services;
(8) durable medical equipment;
(9) long-term care;
(10) skilled nursing care;
(11) intermediate nursing care;
(12) hospice care;
(13) ambulatory surgery centers;
(14) urgent care facilities;
(15) rural health clinics;
(16) operation of a mobile emergency medical service;
(17) necessary nurses' domiciliaries and training centers;
(18) blood banks;
(19) research centers or laboratories; and
(20) any other facilities or equipment the board considers necessary to provide hospital and ancillary health care services.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.105. RULES. The board may adopt rules governing:

(1) the operation of the hospital, ancillary health care facilities, hospital system, and ancillary health care system; and
(2) the duties, functions, and responsibilities of district staff, employees, contractors, or agents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.107. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine the type, number, and location, either inside or outside the district, of buildings required to maintain an adequate hospital system and ancillary health care services system.

(b) The board may lease all or part of the district's buildings, facilities, or equipment on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire, by purchase, lease, or lease to purchase, equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase or lease price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell, lease, or otherwise dispose of any property, including equipment, on terms the board finds are in the
best interest of the district's inhabitants. The board may not sell or otherwise dispose of any real property unless the board affirmatively finds that the sale, lease, or disposition is in the best interest of the district's inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021, Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1070.111. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than $10,000 may be made only after advertising in the manner provided by Chapter 252, Local Government Code, Subchapter B, Chapter 271, Local Government Code, or Section 286.078, Health and Safety Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract with a public or private entity relating to the district's facilities, equipment, or services.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR TREATMENT. The board may contract with this state, another state, a political subdivision of this or another state, or a federal agency for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the hospital, ancillary health care, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.115. PROVISION OF SERVICES OUTSIDE DISTRICT. The board may provide health care services outside the district for the care and treatment of the sick or injured persons of any
jurisdiction.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.116. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment provided to the patient by the district and that payment is not available from any other source, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) determine the patient's ability to pay; and

(2) issue any appropriate orders.

(f) The final order may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.117. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.
(b) The district is entitled to all causes of action and defenses to which similar authorities performing only governmental functions are entitled.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1070.151. TERRITORY THAT MAY BE ANNEXED. (a) The district may annex territory that is not located in:

(1) Hansford County;
(2) the boundaries of another hospital district; or
(3) the proposed boundaries of another hospital district authorized by the legislature under Section 9, Article IX, Texas Constitution.

(b) Territory may be annexed in one or more tracts. Each tract must be contiguous to:

(1) the district; or
(2) territory proposed to be annexed to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.152. PETITION TO ANNEX TERRITORY. (a) A petition requesting that territory be annexed to the district may be presented to the board. The petition must:

(1) describe the tract or tracts of land to be annexed; and
(2) be signed by 100 or a majority of the registered voters who:

(A) reside in the territory to be annexed; and
(B) own property that will be subject to district taxation if the territory is annexed.

(b) This chapter does not prohibit simultaneous action on several petitions for annexation. Each ballot proposition must be submitted for each different territory proposed to be annexed, and an election held in each territory represented by a petition.

(c) If the board receives two or more petitions for annexation that include all or part of the same territory to be annexed to the district, the petition filed first with the board shall be considered
and another petition that includes any of the same territory has no effect.

(d) The board may consider all petitions for annexation presented to it and may approve or reject each petition. The board may not partly approve or partly reject any petition.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.153. ELECTION ORDER. (a) If, on receipt of a petition, the board finds that annexing the territory is in the district's best interest, the board shall within 90 days of the board's finding:

(1) approve the annexation of the territory described in the petition; and
(2) order an election on the question of annexing the territory to the district.

(b) The election order shall provide for a separate election:
(1) in the territory proposed to be annexed; and
(2) in the district.

(c) The election order shall provide for clerks as in county elections and must specify:
(1) the date of the election;
(2) the location of the polling places;
(3) the form of ballot; and
(4) the presiding judge and alternate judge for each polling place.

(d) The election order may provide that:
(1) the entire district is one election precinct; or
(2) the county election precincts be combined for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.154. BALLOT. The ballot for the election shall be printed to permit voting for or against the proposition: "The establishment of the Hansford County Hospital District with extended boundaries and establishment of a hospital district tax at a rate not
to exceed 50 cents on the $100 valuation on all taxable property in the extended boundaries of the hospital district that is subject to hospital district taxation for hospital purposes."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.155. NOTICE OF ELECTION. (a) Notice of the election shall be given by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper or newspapers that individually or collectively have general circulation in the county or district.

(b) The first publication must appear at least 30 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.156. ELECTION RESULTS. (a) Territory may not be annexed to the district unless:

(1) an election is held in accordance with this subchapter; and

(2) the annexation is approved by a majority of the voters voting in the election in:

(A) the district; and

(B) the territory proposed to be annexed.

(b) If the territory is annexed to the district, a certified copy of the order canvassing the returns of the election shall be filed and recorded in the deed records of each county in which the district is located following the annexation election.

(c) An election may not be held under this subchapter within six months of an election previously held under this subchapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.157. EFFECT OF ANNEXATION. (a) Territory annexed to the district is part of the district for all purposes.
(b) The annexation of territory to the district does not change the manner in which the board or district officers are selected.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1070.201. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget;
(7) the estimated tax rate required; and
(8) the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

(c) Any property taxpayer of the district is entitled to be present and participate at the hearing in accordance with the rules of decorum and procedures prescribed by the board.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district.
administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.203. AMENDMENTS TO BUDGET. The annual budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.204. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.205. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed more than once in a 24-month period.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.206. AUDIT. (a) The board shall have an independent audit made of the district's financial condition for the fiscal year.

(b) As soon as the audit is completed, the audit shall be filed at the district's office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1070.207. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.208. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.209. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1070.210(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to:

(1) place a part of district money on time deposit;

(2) purchase certificates of deposit; or

(3) make other investments authorized by Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.210. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Sections 1070.062, 1070.063, 1070.064, 1070.108(c), and 1070.211 and by Subchapter F, the district may not incur an obligation payable from district revenue other than
the revenue on hand or to be on hand in the current and following
district fiscal years.

(b) The board may invest operating, depreciation, or building
money only in funds or securities specified by Chapter 2256,
Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1070.211. AUTHORITY TO BORROW MONEY; SECURITY. (a) The
district may borrow money for district operating expenses in an
amount not to exceed the amount of tax or other revenue the district
expects to receive during the fiscal year in which the money is
borrowed.

(b) To repay the debt, the board may pledge all or part of the
tax or other revenue received during the fiscal year in which the
board borrows money under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

SUBCHAPTER F. BONDS

Sec. 1070.251. OBLIGATIONS AND CREDIT AGREEMENTS. The district
may issue, sell, and deliver obligations and execute corresponding
credit agreements in the manner provided by Chapters 1201 and 1371,
Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
eff. April 1, 2009.

Sec. 1070.252. GENERAL OBLIGATION BONDS. The board may issue
and sell general obligation bonds in the name and on the faith and
credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or
renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital and
ancillary health care purposes.
Sec. 1070.253. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1070.252, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

Sec. 1070.254. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election shall provide for clerks as in county elections and must specify:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the presiding and alternate election judges for each polling place;
   (4) the amount of the bonds to be authorized;
   (5) the maximum interest rate of the bonds; and
   (6) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Sec. 1070.255. REVENUE BONDS. (a) The board may issue revenue bonds to:
   (1) purchase, construct, acquire, repair, renovate, or
equip buildings or improvements for hospital or ancillary health care purposes; or

(2) acquire sites to be used for hospital or ancillary health care purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals or ancillary health care facilities.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.256. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.257. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.258. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the
manner provided by Chapter 618, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.259. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

1. bonds issued by the district;
2. the transfer and issuance of the bonds; and
3. profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. TAXES

Sec. 1070.301. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

1. pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes;
2. provide for the operation and maintenance of the district and hospital system;
3. make improvements and additions to the hospital system; and
4. acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.302. TAX RATE. (a) The board may impose the tax at a rate not to exceed 50 cents on each $100 valuation of taxable property in the district unless the maximum tax rate is increased as provided by Section 1070.303.

(b) In setting the tax rate, the board shall consider the
income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.303. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the district's maximum tax rate to a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) The maximum tax rate may not be increased unless the increase is approved by a majority of the district voters voting in an election held for that purpose.

(c) An election held under this section must be ordered and notice must be given in the manner provided for a bond election under Subchapter F.

(d) The election order must specify:

(1) the ballot proposition;
(2) the proposed maximum tax rate;
(3) the time of the election;
(4) the location of the polling places; and
(5) the presiding judge for each polling place.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.304. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

CHAPTER 1071. OCHILTREE COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1071.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Ochiltree County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.002. AUTHORITY FOR OPERATION. The district operates under the authority of and has the powers and responsibilities provided by Section 11, Article IX, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL SUBDIVISION. The district is:
(1) a public entity performing an essential public function; and
(2) a political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Ochiltree County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1071.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and

(2) an election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.052. NOTICE OF ELECTION. Not earlier than the 30th day or later than the 10th day before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Ochiltree County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.053. BALLOT APPLICATION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary an application in accordance with Chapter 144, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Amended by:
Acts 2017, 85th Leg., R.S., Ch. 783 (H.B. 1631), Sec. 1, eff. September 1, 2017.

Sec. 1071.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) a district resident; and

(2) more than 21 years of age.

(b) An employee or medical staff member of the district may not serve as a director.
Sec. 1071.055.  BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE.  (a)  Each director shall execute a good and sufficient bond for $1,000 that is:
(1)  payable to the district; and
(2)  conditioned on the faithful performance of the director's duties.
(b)  The district may pay for the directors' bonds with district money.
(c)  Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository bank for safekeeping.

Sec. 1071.056.  BOARD VACANCY.  (a)  If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.
(b)  If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies.  If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Sec. 1071.057.  OFFICERS.  The board shall elect from among its members a president and a secretary.
Sec. 1071.058. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the entire board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.059. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.
(b) The district administrator serves at the will of the board and receives the compensation determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the general affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.062. EMPLOYEES. (a) The board may employ a general manager, attorney, bookkeeper, and architect.
(b) The board may employ technicians, nurses, health care providers other than physicians, fiscal agents, accountants, and other necessary employees.
(c) The board may delegate to the district administrator the
authority to hire employees under Subsection (b).

(d) The board may employ physicians, but only as provided by Section 1071.0625.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 379 (S.B. 311), Sec. 1, eff. June 17, 2011.

Sec. 1071.0625. EMPLOYMENT OF PHYSICIANS. (a) The board may employ a physician and retain all or part of the professional income generated by the physician for medical services provided at a hospital owned or operated by the district if the board satisfies the requirements of this section.

(b) The board shall:

(1) appoint a chief medical officer for the district; and

(2) adopt, maintain, and enforce policies to ensure that a physician employed by the district exercises the physician's independent medical judgment in providing care to patients.

(c) The policies adopted under this section must include:

(1) policies relating to:

(A) credentialing;
(B) quality assurance;
(C) utilization review;
(D) peer review; and
(E) medical decision-making; and

(2) the implementation of a complaint mechanism to process and resolve complaints regarding interference or attempted interference with a physician's independent medical judgment.

(d) The policies adopted under this section:

(1) must be approved by the chief medical officer of the district; and

(2) shall prevail over a conflicting policy of the district.

(e) For all matters relating to the practice of medicine, each physician employed by the board shall ultimately report to the chief medical officer of the district.

(f) The chief medical officer will report immediately to the...
Texas Medical Board any action or event that the chief medical officer reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

(g) The board may not delegate to the district administrator the authority to hire a physician.

(h) This section may not be construed as authorizing the board to supervise or control the practice of medicine as prohibited under Subtitle B, Title 3, Occupations Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 379 (S.B. 311), Sec. 2, eff. June 17, 2011.

Sec. 1071.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees, including:

(1) advertising and marketing;

(2) paying travel, recruitment, and relocation expenses;

(3) providing a loan or scholarship to a physician or a person who:

(A) is currently enrolled in health care education courses at an institution of higher education; and

(B) contractually agrees to become a district employee or medical staff member; and

(4) providing on a rent-free basis or subsidizing the cost of office space or other facilities for a health care professional, including a physician.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. (a) The board may appoint to or remove from the medical staff any doctors as necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The board may adopt policies relating to the appointment and removal of medical staff members.
Sec. 1071.065. HEALTH CARE EDUCATIONAL PROGRAMS. The board may spend district money, enter into agreements, or take other necessary action to conduct, participate in, or assist in providing health care educational programs for current or prospective medical staff members or employees of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.066. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

  (1) establishing or administering a retirement program; or
  (2) participating in:
      (A) the Texas County and District Retirement System; or
      (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.067. LIABILITY INSURANCE; INDEMNIFICATION. (a) The board may defend or indemnify an officer, director, board appointee, medical staff member, or district employee against or from a claim, expense, or liability arising from duties performed in that capacity.

  (b) The board may purchase liability insurance coverage or establish a self-insurance program to fund an indemnity obligation under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.068. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1071.055, all district records, including books, accounts, notices, minutes, and all other matters of
the district and the operation of its facilities, shall be:
(1) maintained at the district office; and
(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.069. SEAL. The board may adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1071.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Ochiltree County or a municipality in Ochiltree County may not impose a tax for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.103. MANAGEMENT AND CONTROL. The management and control of the district is vested in the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.104. HOSPITAL SYSTEM. (a) The district may provide
for the establishment of a hospital or hospital system to provide medical and hospital care to the district's needy residents.

(b) The hospital system may include:

(1) facilities and equipment for domiciliary care and treatment of sick, injured, or geriatric patients;
(2) outpatient clinics;
(3) rural health clinics;
(4) convalescent home facilities;
(5) assisted living or personal care facilities;
(6) physicians' offices;
(7) home health care services;
(8) durable medical equipment;
(9) long-term care;
(10) skilled nursing care;
(11) intermediate nursing care;
(12) hospice care;
(13) community mental health centers;
(14) alcohol or chemical dependency centers; and
(15) any other facilities or equipment the board considers necessary for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.105. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and
(2) the method of purchasing necessary supplies, materials,
and equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.107. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or assist in the operation of a mobile emergency medical service as part of the hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine:
   (1) the type, number, and location of facilities required to maintain an adequate hospital system; and
   (2) the type of equipment necessary for hospital care.
(b) The board may:
   (1) acquire by lease, purchase, or lease to purchase or may construct, repair, or renovate property, including facilities or equipment, for use in the district's hospital system; and
   (2) mortgage or pledge the property as security for the payment of the purchase price.
(c) The board may lease hospital facilities for the district.
(d) The board may lease, sell, or otherwise dispose of all or part of the district's property for the district, including facilities or equipment, to a public or private entity.
(e) The district may operate any facility covered by this section or contract with any person to manage or operate the facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for
the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.111. CONTRACTS FOR CARE AND TREATMENT. (a) The board may contract with a hospital, hospital authority, or political subdivision of this state located outside the district's boundaries to reimburse the district for the care and treatment of a sick or injured person of that entity.

(b) The board may contract with this state or a federal agency for the state or agency to reimburse the district for the treatment of a sick or injured person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1071.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency to provide investigatory or other services related to facilities for the medical care, hospital, or welfare needs of district inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.113. PROVISION OF SERVICES OUTSIDE DISTRICT. Subject to board approval the district may provide primary care, emergency services, preventative medical services, and other health-related services outside the district, provided that the services serve the purpose of the district as established by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.114. JOINT ADMINISTRATION OR DELIVERY OF HEALTH CARE SERVICES. (a) To provide joint administration or delivery of health care services, the district may contract with, affiliate with, or enter into another arrangement with:

(1) a managed care system;
(2) a preferred provider organization;
(3) a health maintenance organization;
(4) another provider of an alternative health care or delivery system; or
(5) a private hospital.

(b) The district may spend district money to establish and maintain a partnership, corporation, or other entity involved in the delivery of health care services.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a
patient who resides in Ochiltree County is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

1. the patient; and
2. the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay all or part of the costs of the patient's care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If it is determined that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:
1. resolve the dispute or doubt; and
2. issue an appropriate order.

(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.116. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person for whom that county, municipality, or public hospital has an obligation to provide care, as provided by Chapter 61, Health and Safety Code.
(b) The board shall seek reimbursement under Article 104.002, Code of Criminal Procedure, for the district's care and treatment of a person who is confined in an Ochiltree County jail facility and is not a district resident.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.117. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use money, other than money the corporation pays to the district, only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.118. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1071.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:

(1) proposed expenditures and disbursements;

(2) estimated receipts and collections; and
(3) the amount of taxes required to be imposed for the year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget. (b) Notice of the hearing must be published at least once in a newspaper of general circulation in Ochiltree County not later than the 10th day before the date of the hearing. (c) Any district taxpayer is entitled to: (1) appear at the time and place designated in the notice; and (2) be heard regarding any item included in the proposed budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.153. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the fiscal year. (b) Not later than December 31 each year, the audit shall be filed: (1) with the comptroller; and (2) at the district office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.
Sec. 1071.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in Ochiltree County as the district's depository or treasurer. A designated bank serves for three years and until a successor is designated.

(b) All income received by the district shall be deposited in the district depository.

(c) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.156. AUTHORITY TO BORROW MONEY. The board may borrow money for district purposes on district credit or secured by district revenue.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1071.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for health care purposes and for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1071.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad
valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.
(b) The board may order the election on its own motion.
(c) The order calling the election must specify:
(1) the location of the polling places;
(2) the presiding election officers;
(3) the purpose of the bond issuance;
(4) the amount of the bonds to be authorized;
(5) the maximum interest rate of the bonds; and
(6) the maximum maturity of the bonds.
(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Ochiltree County once a week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.
Sec. 1071.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital or health care purposes; or

(2) acquire sites for hospital or health care purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's facilities.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or

(2) exchanged wholly or partly for not less than a similar amount of outstanding bonds and the unpaid matured interest on the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.208. BONDS EXEMPT FROM TAXATION. The following are
exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1071.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds issued or assumed by the district for hospital purposes;
(2) provide for operation and maintenance of the hospital and hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.253. TAX ASSessor-COLLECTOR. The tax assessor-collector of Ochiltree County shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02,
CHAPTER 1072. RUNNELS COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1072.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Runnels County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.002. AUTHORITY FOR OPERATION. The Runnels County Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Runnels County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.
Sec. 1072.006.  RESTRICTION ON STATE FINANCIAL ASSISTANCE.  The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

SUBCHAPTER A-1.  TEMPORARY PROVISIONS

Sec. 1072.021.  ELECTION ON CREATION OF DISTRICT.  (a) The Commissioners Court of Runnels County shall order an election for the registered voters of Runnels County who do not reside in the Ballinger Memorial Hospital District or the North Runnels County Hospital District on the question of creating the Runnels County Hospital District if the commissioners court receives notice that:

(1) the board of directors of the Ballinger Memorial Hospital District intends to order an election to dissolve the Ballinger Memorial Hospital District and create the Runnels County Hospital District under Subchapter D-1, Chapter 1004; and

(2) the board of directors of the North Runnels County Hospital District intends to order an election to dissolve the North Runnels County Hospital District and create the Runnels County Hospital District under Section 20c, Chapter 206, Acts of the 61st Legislature, Regular Session, 1969.

(b) The Commissioners Court of Runnels County shall notify the boards of directors of the Ballinger Memorial Hospital District and the North Runnels County Hospital District that the commissioners court intends to hold the election under this section.

(c) The election held under this section shall be held on the same date as the elections to dissolve the Ballinger Memorial Hospital District and the North Runnels County Hospital District and to create the Runnels County Hospital District. The Commissioners Court of Runnels County shall coordinate with the boards of directors of the Ballinger Memorial Hospital District and the North Runnels County Hospital District in setting the election date under this section.
(d) The order calling the election under this section must state:

1. the nature of the election, including the proposition that is to appear on the ballot;
2. the date of the election;
3. the hours during which the polls will be open; and
4. the location of the polling places.

(e) Section 41.001, Election Code, does not apply to an election ordered under this section.

(f) The Commissioners Court of Runnels County shall give notice of an election under this section by publishing a substantial copy of the election order in a newspaper with general circulation in Runnels County once a week for two consecutive weeks. The first publication must appear not later than the 35th day before the date set for the election.

(g) The ballot for an election under this section must be printed to permit voting for or against the proposition: "The creation of the Runnels County Hospital District, providing for the imposition of an ad valorem tax at a rate not to exceed ___ cents (insert any rate not to exceed 75 cents) on each $100 valuation of taxable property in Runnels County.

(h) The Commissioners Court of Runnels County shall find that the Runnels County Hospital District is created if:

1. a majority of the votes in an election held on the same date under Subchapter D-1, Chapter 1004, favor dissolution of the Ballinger Memorial Hospital District and creation of the Runnels County Hospital District;
2. a majority of the votes in an election held on the same date under Section 20c, Chapter 206, Acts of the 61st Legislature, Regular Session, 1969, favor dissolution of the North Runnels County Hospital District and creation of the Runnels County Hospital District; and
3. a cumulative majority of the votes held in the election called by the commissioners court and in the elections described by Subdivisions (1) and (2) favor creation of the Runnels County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.
Amended by:
Sec. 1072.022. TEMPORARY DIRECTORS. (a) If the creation of the district is approved at the elections held under Subchapter D-1, Chapter 1004, Section 20c, Chapter 206, Acts of the 61st Legislature, Regular Session, 1969, and Section 1072.021, the following persons shall serve as temporary directors of the Runnels County Hospital District:

(1) Lewis Bergman;
(2) Charles Brown;
(3) Mike Dankworth;
(4) Rodney Flanagan;
(5) Bill Hunter;
(6) Paul Sklenarik;
(7) Dewey Whitfield.

(b) The temporary board shall serve as the temporary directors of the district until the initial elected directors take office under Section 1072.025.

(c) A vacancy on the temporary board of directors shall be filled by the Commissioners Court of Runnels County.

(d) To serve as a temporary director, a person must be:

(1) a resident of the district; and
(2) a qualified voter.

(e) An employee of the district may not serve as a temporary director.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.023. TEMPORARY OFFICERS. (a) The temporary board shall elect a president and a vice president from among the temporary directors.

(b) The temporary board shall appoint a secretary, who need not be a temporary director.

(c) The temporary board shall fill a vacancy in a board office for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01,
Sec. 1072.024. ELECTION OF INITIAL ELECTED DIRECTORS. (a) The temporary directors shall hold an election to elect seven initial directors on the first uniform election date in May that occurs after the date the district is created. One initial director shall be elected from each commissioners precinct of Runnels County and three initial directors shall be elected from the district at large.

(b) The temporary directors may postpone the election under Subsection (a) for not more than one year or until the next uniform election date if the temporary directors determine that there is not sufficient time to comply with the requirements of this section or if the temporary directors determine that it is in the best interests of the district to maintain the temporary directors for another year.

(c) Notice of the election of the initial directors shall be published at least once in a newspaper of general circulation in the district in accordance with Section 4.003(a), Election Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.025. INITIAL ELECTED DIRECTORS. (a) The candidate receiving the highest number of votes from each commissioners precinct of Runnels County is the initial elected director for that precinct, and the three candidates receiving the highest number of votes from the district at large are the initial elected directors for the district at large.

(b) Initial elected directors serve three-year terms.

(c) To be a candidate for or to serve as an initial elected director, a person must be:

(1) a resident of the district; and

(2) a qualified voter.

(d) An employee of the district may not serve as an initial elected director.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.
Sec. 1072.026. INITIAL ELECTED OFFICERS. (a) The initial elected board shall elect a president and a vice president from among the initial elected directors.

(b) The initial elected board shall appoint a secretary, who need not be an initial elected director.

(c) The initial elected board shall fill a vacancy in a board office for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.027. PROCEDURE FOR ELECTION OF PERMANENT DIRECTORS. Not later than the date the terms of the initial elected directors expire, the initial elected board shall adopt a procedure for the election of directors under Section 1072.051. The procedure must provide for appropriate representation of the residents of the district and must provide for the first election of permanent directors to occur on the first uniform election date in May that occurs at the end of the initial directors' terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1072.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected in the manner prescribed by the initial directors under Section 1072.026.

(b) An election shall be held each year on the uniform election date in May to elect the appropriate number of directors.

(c) Directors serve staggered three-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.052. NOTICE. Notice of the directors' election shall be published at least once in a newspaper with general circulation in the district in accordance with Section 4.003(a), Election Code.
Sec. 1072.053. QUALIFICATIONS FOR OFFICE. (a) To be a candidate for or to serve as a director, a person must be:
   (1) a resident of the district; and
   (2) a qualified voter.
   (b) An administrator or an employee of the district may not serve as a director.

Sec. 1072.054. DIRECTOR'S BOND. (a) Before assuming the duties of office, each director must execute a bond in the amount of $5,000 payable to the district and conditioned on the faithful performance of the director's duties.
   (b) The bond shall be kept in the permanent records of the district.
   (c) The board may pay for a director's bond with district money.

Sec. 1072.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term.

Sec. 1072.056. OFFICERS. (a) The board shall elect a president and a vice president from among the directors.
   (b) The board shall appoint a secretary, who need not be a director.
   (c) Each officer of the board serves a one-year term.
(d) The board shall fill a vacancy in a board office for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.057. COMPENSATION; REIMBURSEMENT. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S BOND.

(a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board.

(c) The district administrator is entitled to compensation determined by the board.

(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount not less than $5,000, as determined by the board, conditioned on the faithful performance of the administrator's duties.

(e) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.
Sec. 1072.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as assistant district administrator and attorney for the district.

(b) The assistant district administrator and attorney for the district serve at the will of the board.

(c) The assistant district administrator and attorney for the district are entitled to compensation determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.062. EMPLOYEES. (a) The district may employ nurses, technicians, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary actions to recruit physicians and other persons to serve as medical staff members or district employees. The actions may include:

(1) advertising and marketing;

(2) paying travel, recruitment, and relocation expenses;

(3) providing a loan or scholarship to a physician or a person currently enrolled in health care education courses at an
institution of higher education who contracts to become a medical
staff member or district employee; or

(4) contracting with a full-time medical student or other
student in a health occupation who is enrolled in and in good
standing at an accredited medical school, college, or university to
pay the student's tuition or other expenses for the consideration of
the student agreeing to serve as an employee or independent
contractor for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01,

Sec. 1072.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. The
board may:

(1) appoint to the medical staff any doctor the board
considers necessary for the efficient operation of the district;
(2) remove any doctor from the medical staff, after due
process, if the board considers the doctor's removal necessary for
the efficient operation of the district; and

(3) make temporary appointments to the medical staff as the
board considers necessary.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01,

Sec. 1072.065. RETIREMENT BENEFITS. The board may provide
retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:

(A) the Texas County and District Retirement System; or
(B) another statewide retirement system in which the
district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01,

SUBCHAPTER C. POWERS AND DUTIES
Sec. 1072.101. DISTRICT RESPONSIBILITY. The district has full
responsibility for operating hospital facilities and providing medical and hospital care for the district's needy residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.103. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.105. PROVISION OF CERTAIN HEALTH SERVICES. (a) The district may operate or provide for the operation of a mobile emergency medical service.
(b) The district may operate or provide for home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care.
Sec. 1072.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.

(b) The board may:

(1) acquire property, facilities, and equipment for the district for use in the hospital system;

(2) mortgage or pledge the property, facilities, or equipment as security for payment of the purchase price;

(3) sell or otherwise dispose of property, facilities, or equipment for the district; or

(4) lease hospital facilities for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital facilities for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.108. SERVICE CONTRACTS. (a) The board may contract with a public or private hospital, a political subdivision of the state, or a state or federal agency for the district to provide a mobile emergency medical service or other health care services needed to provide for the investigatory or welfare needs of residents of the district.

(b) The board may contract with a person to receive or supply the services the board considers necessary for the effective operation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01,
Sec. 1072.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit with the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide bond or other security for costs in the trial court;
   (2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or provision in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:
   (1) the patient; and
   (2) a relative of the patient who is legally responsible for the patient's support.
(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall call witnesses, hear and resolve the question, and issue a final order. The order may be appealed to a district court in the county in which the district is located. The substantial evidence rule applies to an appeal under this subsection.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.113. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside of the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or hospital, as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Runnels County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Runnels County and is not a resident of the district.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the
district for treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.114. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) A corporation created under this section may use money contributed by the district only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.115. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.116. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a construction contract on the district's behalf.

(b) The board may enter into a construction contract only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code, if the amount of the contract is greater than the amount provided by Section 271.024 of that code.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1072.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand to the credit of each fund of the district;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenues and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make a change in the proposed budget that the board determines to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.
Sec. 1072.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.154. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:
(1) during a period in which revenue bonds of the district are outstanding; or
(2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.155. ANNUAL AUDIT. The board shall have an annual audit made of the financial condition of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the principal office of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board a sworn statement of the amount of district money and an account of the disbursement of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.
Sec. 1072.158. SHORT-TERM FINANCING. The district may borrow money through short-term financing.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.159. DEBT LIMITATION. Except as provided by Chapter 1207, Government Code, and Sections 1072.116, 1072.201, and 1072.204, the district may not incur a debt payable from district revenue other than revenue available in the current fiscal year and the immediately following fiscal year of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.160. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) The board may solicit bids from local financial institutions to determine which institution may serve as a depository for district money.

(c) District money, other than money invested as provided by Section 1072.161 and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the board's power to place part of the district's money on time deposit or to purchase certificates of deposit.

(d) The district may deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation only if the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.
Sec. 1072.161. RESTRICTION ON INVESTMENT. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

SUBCHAPTER E. BONDS

Sec. 1072.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip buildings or improvements for hospital purposes; or
(3) acquire and operate a mobile emergency medical service.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1072.201, the board shall impose an ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may order a bond election. The order calling the
election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of polling places;
   (4) the amounts of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.
(c) Notice of a bond election must be given as provided by
Chapter 1251, Government Code.
(d) The board shall declare the results of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01,

Sec. 1072.204. REVENUE BONDS. (a) The board may issue revenue bonds to:
   (1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for hospital purposes;
   (2) acquire sites to be used for hospital purposes; or
   (3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.
(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.
(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by county hospital authorities.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01,

Sec. 1072.205. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01,
Sec. 1072.206. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.207. BONDS NOT SUBJECT TO TAXATION. The following are not subject to taxation by the state or by a political subdivision of the state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

SUBCHAPTER F. AD VALOREM TAX

Sec. 1072.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to hospital district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.252. TAX RATE. (a) The board may impose an annual tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of a tax.

(b) The tax rate on all taxable property in the district for all purposes may not exceed 75 cents on each $100 valuation of the property according to the most recent certified tax appraisal roll of the district.
(c) In setting the tax rate, the board shall consider district income from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1072.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the district's registered voters.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001, Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing a
substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 35th day before the date set for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the North Runnels County Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b) If a majority of the votes in an election under this subchapter do not favor dissolution, the board shall continue to administer the district, and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets belonging to the district to Runnels County or another governmental entity in Runnels County; or

(2) administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes a transfer under Subsection (a)(1),
the county or governmental entity assumes all debts and obligations of the district at the time of the transfer. The district is dissolved at the time of the transfer.

(c) If the district administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.
(a) After the board determines that the district is dissolved, the board shall:
   (1) determine the debt owed by the district; and
   (2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the funds to the county tax assessor-collector.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Runnels County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Runnels County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or
obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

CHAPTER 1073. NORTH RUNNELS COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1073.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the North Runnels County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.002. AUTHORITY FOR CREATION. The North Runnels County Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners Precincts 2 and 3 of Runnels County as those boundaries existed on January 1, 1969.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1073.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1073.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve two-year terms; and

(2) a directors' election shall be held on the uniform election date in May of each year.

(c) The election order must state the time, place, and purpose of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1073.052. NOTICE OF ELECTION. Not earlier than the 30th day or later than the 10th day before the date of an election of directors, notice of the election shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed as a director unless the person is:

(1) a resident of the district; and
(2) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:

(1) the district administrator;
(2) a district employee; or
(3) a member of the hospital staff.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.054. BOND. (a) The board may require all district officers and employees charged with handling money to furnish a good bond for not less than $5,000 that is:

(1) payable to the district;
(2) conditioned on the faithful performance of the officer's or employee's duties; and
(3) signed by a surety company authorized to do business in this state.

(b) The board may pay for the bond with district money.

(c) The district shall pay the premiums on the bond.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1073.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.056. OFFICERS. (a) The board shall elect a president and a vice president from among its members.
   (b) The board shall appoint a secretary, who need not be a director.
   (c) Each officer of the board serves for a term of one year.
   (d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
   (1) reported in the district's records; and
   (2) approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.
   (b) The board may appoint one or more assistant administrators.
   (c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
   (d) Before assuming the duties of district administrator, the board may require the administrator to execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
(1) is conditioned on the faithful performance of the
administrator's duties; and
(2) contains other conditions the board may require.
(e) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.060. APPOINTMENT, DISMISSAL, AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board, with the district administrator, may appoint doctors to or dismiss doctors from the staff as considered necessary for the efficient operation of the district and may make temporary appointments as warranted.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

(d) The board may spend district money to recruit physicians, nurses, and other trained medical personnel. The board may pay the tuition or other expenses of a full-time medical student or other student in a health occupation who:

(1) is enrolled in and is in good standing at an accredited medical school, college, or university; and

(2) contractually agrees to become a district employee or independent contractor in return for that assistance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1073.061. PERSONNEL CONTRACTS.  (a) The board may contract to provide administrative or other personnel for the operation of hospital facilities.

(b) The term of a contract may not exceed 25 years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.062. SENIORITY. The board may:

(1) adopt rules related to the seniority of district employees, including rules for a retirement plan based on seniority; and

(2) give effect to previous years of service for district employees continuously employed in the operation or management of hospital facilities acquired or constructed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1073.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants; and

(2) providing medical and hospital care for the district's needy inhabitants.
Sec. 1073.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision that is located within the district or that has the same boundaries as the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Sec. 1073.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer:
(1) the hospital and hospital system; and
(2) the district's business, money, and resources.

Sec. 1073.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment, administration, maintenance, operation, and financing of a hospital system, including any component specified by Subsection (b) or a service or facility specified by Subsection (c), by:
(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the system, service, or facility for hospital purposes.
(b) The hospital system may include:
(1) a medical care system;
(2) rural health clinics;
(3) outpatient clinics and facilities for outpatient clinics;
(4) nursing homes;
(5) home health services;
(6) facilities for domiciliary care of the sick, injured,
or geriatric;
(7) pharmacies;
(8) convalescent home facilities;
(9) necessary nurses domiciliaries and training centers;
(10) blood banks;
(11) community mental health centers;
(12) research centers or laboratories; and
(13) any other facilities the board considers necessary for hospital care.

(c) The district may provide any services or facilities necessary for:
(1) hospital agencies;
(2) extended care facilities; and
(3) assisted living or personal care facilities, including retirement benefits, housing, and medical office buildings.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.
(b) The board may:

(1) purchase or lease property, including facilities and equipment, for the district to use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease district hospital facilities to individuals, corporations, or other legal entities.

(d) The board may sell or otherwise dispose of the district's property, including facilities and equipment.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021, Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the
Sec. 1073.110. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITALIZATION AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the hospitalization of a sick or injured person of that county or municipality.

(b) The district may contract with this state or a federal agency for the hospital treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the hospital or welfare needs of district inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.113. BIDDING REQUIREMENTS. The district shall comply with the bidding requirements prescribed by Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1073.114. PROVISION OF SERVICES OUTSIDE DISTRICT. The district may provide services outside the district's boundaries.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the estate of the patient, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and

(2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1073.116. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.
(b) The district is entitled to all causes of action and defenses to which similar authorities are entitled.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 1073.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.
(b) The proposed budget must contain a complete financial statement of:
(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget;
(7) the estimated tax rate required; and
(8) the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
(b) The board shall publish notice of the hearing in accordance with Chapter 551, Government Code.
(c) Any district resident is entitled to be present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a
budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the district's residents and that the law warrants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:
   (1) when revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1073.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.159. DEPOSITORY. (a) The board shall select one or more banks to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1073.160(b), and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being designated as a depository bank.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by this chapter, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building
Sec. 1073.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.201. GENERAL OBLIGATION BONDS. The board may issue general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical or air ambulance service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1073.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1073.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the rate approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election. The order calling the election must specify:

1. the nature and date of the election;
2. the hours during which the polls will be open;
3. the location of the polling places;
4. the amount of the bonds to be authorized; and
5. the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(d) The board shall declare the results of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

1. purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;
2. acquire sites to be used for hospital purposes; or
3. acquire and operate a mobile emergency medical or air ambulance service.

(b) The bonds must be payable from and secured by a pledge of
all or part of the revenue derived from the operation of the
district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed
of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance
with the procedures and requirements prescribed by Sections 264.042,
264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety
Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1073.205. REFUNDING BONDS. (a) The board may issue
refunding bonds to refund outstanding bonds issued by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bonds applied
to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar
principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1073.206. MATURITY OF BONDS. District bonds must mature
not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1073.207. EXECUTION OF BONDS. (a) The board president
shall execute district bonds in the district's name.

(b) The board secretary shall countersign district bonds in the
manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.
Sec. 1073.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued or assumed by the district;
(2) the transfer and issuance of the bonds; or
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1073.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The board may impose the tax to:

(1) pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes;
(2) provide for the operation and maintenance of the district and hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1073.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 1073.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by a number of district residents equal to at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later
than the 35th day before the date set for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the North Runnels County Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Runnels County or another governmental entity in Runnels County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer and the district is dissolved.
Sec. 1073.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) Notwithstanding any other provision of this chapter, the district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of the district's assets or liabilities may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(d) The district may not transfer or dispose of the district's assets except for due compensation unless:

(1) the transfer is made to another governmental entity that serves the district; and

(2) the transferred assets are to be used for the benefit of the district's residents.

(e) A grant from federal funds is an obligation to be repaid in satisfaction.

Sec. 1073.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1073.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Runnels County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Runnels County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER H. DISSOLUTION OF NORTH RUNNELS COUNTY HOSPITAL DISTRICT ON CREATION OF RUNNELS COUNTY HOSPITAL DISTRICT

Sec. 1073.351. DISSOLUTION; ELECTION. (a) The board may order an election on the question of the dissolution of the district, creation of the Runnels County Hospital District, transfer of the district's assets and obligations to the Runnels County Hospital District, and assumption of the district's outstanding debts by the Runnels County Hospital District.

(b) The board shall order the election if:

(1) the board receives a petition requesting an election that is signed by at least 50 of the district's registered voters; or

(2) the board receives notice that the board of directors of the Ballinger Memorial Hospital District intends to order an election to dissolve the Ballinger Memorial Hospital District and
create the Runnels County Hospital District under Subchapter D-1, Chapter 1004.

(c) If the board intends to hold an election under this subchapter, the board shall notify the board of directors of the Ballinger Memorial Hospital District and the Runnels County Commissioners Court of that intention.

(d) The election held under this subchapter shall be held on the same date as the election to dissolve the Ballinger Memorial Hospital District and create the Runnels County Hospital District under Subchapter D-1, Chapter 1004, and the election in the portion of the county not included in a hospital district to create the Runnels County Hospital District. The board shall coordinate with the board of directors of the Ballinger Memorial Hospital District and the Commissioners Court of Runnels County in setting the election date under this section.

(e) The order calling the election must state:
   (1) the nature of the election, including the proposition that is to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.

(f) Section 41.001, Election Code, does not apply to an election ordered under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.011(a), eff. September 1, 2011.

Sec. 1073.352. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 35th day before the date set for the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.011(a), eff. September 1, 2011.

Sec. 1073.353. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the
proposition: "The dissolution of the North Runnels County Hospital District and the creation of the Runnels County Hospital District, providing for the imposition of an ad valorem tax at a rate not to exceed ___ cents (insert any rate not to exceed 75 cents) on each $100 valuation of taxable property in Runnels County, and providing for the transfer to and assumption by the Runnels County Hospital District of all outstanding bonds and other obligations issued for hospital purposes by the North Runnels County Hospital District, Runnels County, and any part of a municipality located in Runnels County, and the transfer of the existing North Runnels County Hospital District's assets to the Runnels County Hospital District."

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.011(a), eff. September 1, 2011.

Sec. 1073.354. ELECTION RESULTS. (a) The board shall find that the district is dissolved if:

(1) a majority of the votes in an election under this section favor dissolution of the district and creation of the Runnels County Hospital District;

(2) a majority of the votes in an election held on the same date under Subchapter D-1, Chapter 1004, favor dissolution of the Ballinger Memorial Hospital District and creation of the Runnels County Hospital District; and

(3) a cumulative majority of the votes in all three elections held on the question of creating the Runnels County Hospital District favor creation of the district.

(b) If a majority of the votes in either election under Subsection (a)(1) or (2) do not favor dissolution of the district and creation of the Runnels County Hospital District, or if a cumulative majority of the votes in all three elections held on the question of creating the Runnels County Hospital District do not favor creation of the district, the board shall continue to administer the district, and another election on the question of dissolution under this section may not be held before the first anniversary of the date of the most recent election under this section to dissolve the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.011(a), eff. September 1, 2011.
Sec. 1073.355. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in both elections under Sections 1073.354(a)(1) and (2) favor dissolution of the district and creation of the Runnels County Hospital District, and a cumulative majority of the votes in all three elections held on the question of creating the Runnels County Hospital District favor creation of the district, the board shall transfer the land, buildings, improvements, equipment, and other assets belonging to the district to the Runnels County Hospital District.

(b) On the date the district makes the transfer under Subsection (a), the Runnels County Hospital District assumes all debts and obligations of the district at the time of the transfer. The district is dissolved at the time of the transfer and the board is released from any further duty or obligation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.011(a), eff. September 1, 2011.

Sec. 1073.356. REFERENCE IN OTHER LAW. On the dissolution of the North Runnels County Hospital District and the approval of the creation of the Runnels County Hospital District, a reference in any law to the North Runnels County Hospital District means the Runnels County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.011(a), eff. September 1, 2011.

Sec. 1073.357. EXPIRATION. If the dissolution of the North Runnels County Hospital District and creation of the Runnels County Hospital District are not approved at an election held not later than June 19, 2014, this subchapter expires.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.011(a), eff. September 1, 2011.

CHAPTER 1074. COMANCHE COUNTY CONSOLIDATED HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 1074.001. DEFINITIONS. In this chapter:
"Board" means the board of directors of the district.  
"Director" means a member of the board.  
"District" means the Comanche County Consolidated Hospital District.

(Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.)

Sec. 1074.002.  AUTHORITY FOR OPERATION.  The Comanche County Consolidated Hospital District operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

(Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.)

Sec. 1074.003.  ESSENTIAL PUBLIC FUNCTION.  The district performs an essential public function administering this chapter.

(Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.)

Sec. 1074.004.  DISTRICT TERRITORY.  The boundaries of the district are coextensive with the boundaries of Comanche County, except that portion of Comanche County within the boundaries of the South Eastland County Hospital District, as those boundaries existed on June 15, 2001, is not included in the district.

(Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.)

Sec. 1074.005.  DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION.  The support and maintenance of the district may not become a charge against or obligation of this state.

(Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.)
Sec. 1074.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1074.051. BOARD ELECTION; TERM. (a) The board consists of six directors elected from the district in accordance with former Section 3.04(f), Chapter 132, Acts of the 74th Legislature, Regular Session, 1995.

   (b) Directors serve staggered three-year terms.

   (c) A directors' election to elect two directors shall be held annually on the May uniform election date or another date authorized by law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.101(3), eff. September 1, 2013.

Sec. 1074.052. NOTICE OF ELECTION. Not earlier than the 30th day or later than the 10th day before the date of a directors' election, notice of the election must be published one time in a newspaper of general circulation in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

   (1) a resident of the district; and
   (2) a qualified voter.
(b) A person is not eligible to serve as a director if the person is:
   (1) the district administrator; or
   (2) a district employee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.054. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall fill the vacancy for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.055. OFFICERS. (a) The board shall elect:
   (1) a president and a vice president from among its members; and
   (2) a secretary, who need not be a director.
   (b) Each officer of the board serves a one-year term.
   (c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
   (1) reported in the district's records; and
   (2) approved by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.057. VOTING REQUIREMENT. A concurrence of a majority
of the directors voting is necessary in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board shall appoint a qualified person as district administrator.
(b) The board may appoint an assistant administrator.
(c) The district administrator and any assistant administrator serve at the will of the board and receive the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
   (1) is conditioned on the administrator performing the administrator's duties; and
   (2) contains any other condition the board requires.
(e) The board may pay for the bond with district money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to the limitations prescribed by the board, the district administrator shall supervise the work and activities of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.060. APPOINTMENT OF STAFF AND EMPLOYEES.
(a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district if warranted.
(b) The board may employ, and may delegate to the district administrator the authority to employ, technicians, nurses, fiscal agents, accountants, architects, and other necessary employees for
the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1074.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities and providing medical and hospital care for the district's needy residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly in the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's business, money, and resources.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.104. HOSPITAL SYSTEM. (a) The district shall provide for:

(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   (B) equipping the buildings; and

(2) the administration of the district for hospital purposes.

(b) The hospital system may include:
domiciliary care and treatment of the sick, injured, or geriatric;
outpatient clinics;
dispensaries;
convalescent home facilities;
necessary nurses;
domiciliaries and training centers;
blood banks;
community mental health centers;
research centers;
laboratories; and
any other facilities the board considers necessary for hospital care.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
the method and manner of making purchases and expenditures by and for the district; and
all accounting and control procedures.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. The board shall determine:
the type, number, and location of buildings required to maintain an adequate hospital system; and
the type of equipment necessary for hospital care.
(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of district residents. The term of the lease may not exceed 25 years.

(c) The district may:
   (1) acquire property, including facilities and equipment, for use in the district's hospital system; and
   (2) mortgage or pledge the property as security for the payment of the purchase price.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021, Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered
by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The district may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The district may contract with this state or a federal agency to reimburse the district for treatment of a sick or injured person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a
political subdivision or governmental agency for the district to provide investigatory or other services for the medical, hospital, or welfare needs of district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) The district shall provide without charge to a patient residing in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay.

(b) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:
(1) the patient; and
(2) the patient's relatives legally responsible for the patient's support.

(c) If the district administrator determines that the patient or relative can pay for all or part of the costs of the patient's care and treatment, the district administrator shall report that finding to the board and the board shall order the patient or relative to pay the district a specified amount each week for the patient's care and support. The amount ordered must be an amount the individual is able to pay.

(d) The district administrator may collect amounts under Subsection (c) from the patient's estate, or from a relative legally responsible for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, the board shall:
(1) call witnesses;
(2) hear and resolve the dispute; and
(3) issue a final order.

(f) The final order may be appealed to the district court in Comanche County. The substantial evidence rule applies to the appeal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1074.115. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1074.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand to the credit of each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenues and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing must be published one time in a newspaper of general circulation in the district.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) The board shall act on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board determines the law warrants and are in the interests
of the taxpayers. The board must approve the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to
inspection at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.159. DEPOSITORY. (a) The board shall select one or more banks to serve as a depository for district money.

(b) All district money, other than money invested as provided by Section 1074.160 and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This section does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.160. INVESTMENT RESTRICTIONS. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual
percentage rate allowed by law for authorized district obligations at the time the loan is made if the board declares that:

(1) money is not available to meet authorized obligations of the district; and

(2) an emergency exists.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) district taxes to be imposed by the district in the 12-month period following the date of the pledge that are not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) Money obtained from a loan under this section may be spent only for:

(1) a purpose for which the board declared an emergency; and

(2) if district taxes or bonds are pledged to pay the loan, the purposes for which the pledged taxes were imposed or the bonds were authorized.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1074.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements;

(2) equipping buildings or improvements for hospital purposes; or

(3) acquiring and operating a mobile emergency service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1074.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax imposed for the district may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.203. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, equip, or renovate a building or improvement for hospital purposes;
(2) acquire a site for hospital purposes; or
(3) acquire and operate a mobile emergency service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of district revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or any part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Chapter 264, Health and Safety Code, for the issuance of revenue bonds by a county hospital authority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.204. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of the outstanding indebtedness.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.205. BOND ELECTION. (a) The district may issue bonds, other than refunding bonds, to be wholly or partly secured by an ad valorem tax only if the bonds are authorized by a majority of the district voters at an election that is held in the district.

(b) The bond election order must specify:
(1) the nature and date of the election;
(2) the location of the polling places;
(3) the hours during which the polls will be open;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.206. MATURITY OF BONDS. District bonds must mature not later than the 40th anniversary of the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.207. EXECUTION OF BONDS. The board president shall execute the district's bonds in the district's name, and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

 Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.208. ADDITIONAL MEANS OF SECURING PAYMENT OF BONDS.
In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1074.202 and revenue and other sources as authorized by Section 1074.203.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;
(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
(5) costs related to the issuance of the bonds;
(6) costs related to the acquisition of land or interest in land for a project or facility to be provided through the bonds; and
(7) construction costs of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.210. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance from the bonds; or
(3) any profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.211. SECURITY OF CERTAIN BONDS. Bonds authorized at an election held in the district before May 20, 2003, may be payable from and secured by:

(1) taxes as authorized by the election; or
(2) a pledge of a combination of ad valorem taxes, revenues, and other sources as authorized by Section 1074.208.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1074.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall annually impose a tax to pay:

(1) indebtedness issued or assumed by the district; and
(2) district maintenance and operating expenses.

(b) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under Section 1074.203.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by
the Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1075.  STAMFORD HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1075.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Stamford Hospital District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.002. AUTHORITY FOR CREATION. The Stamford Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1a, Chapter 108, Acts of the 59th Legislature, Regular Session, 1965, as amended by Section 1, Chapter 563, Acts of the 63rd Legislature, Regular Session, 1973.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1075.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1075.051. BOARD ELECTION; TERM. (a) The board consists of seven elected directors.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

(c) The election order must state the time, place, and purpose of the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.052. NOTICE OF ELECTION. At least five days before the date of a directors' election, notice of the election must be published one time in a newspaper of general circulation in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must
file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 10 registered voters; and
(2) filed by the deadline imposed by Section 144.005, Election Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.054. QUALIFICATIONS FOR OFFICE. To be eligible to hold office as a director, a person must be a resident property-owning taxpaying voter of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.055. BOND; RECORD OF BOND AND OATH. (a) Each director shall execute a good and sufficient bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond and constitutional oath of office shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.057. OFFICERS. (a) The board shall elect from among its members a president, vice president, secretary, and other
officers as in the judgment of the board are necessary.

(b) The president is the chief executive officer of the district and has the same right to vote as any other director.

(c) If the president is absent or fails and declines to act, the vice president shall perform the president's duties and exercise the president's powers under this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.058. COMPENSATION; EXPENSES. A director is not entitled to compensation but is entitled to receive actual expenses incurred in attending to district business on approval of the expenses by the remainder of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.

(a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and assistant administrator serve at the will of the board and shall receive the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $10,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains any other condition the board requires.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.061. EMPLOYEES. The board may employ any doctors, technicians, nurses, and other employees as considered necessary for the efficient operation of the district or may provide that the district administrator has the authority to employ those persons.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.062. RETIREMENT PROGRAM. The board may enter into any contract or agreement with this state or the federal government as required to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1075.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care of indigent persons in the district; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or for medical treatment of indigent persons in the
Sec. 1075.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.104. HOSPITAL SYSTEM. The district shall provide for:

(1) the establishment of a hospital or hospital system by:
    (A) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements; and
    (B) equipping the buildings and improvements; and
(2) the administration of the hospital or hospital system for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.106. PURCHASING AND ACCOUNTING. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1075.107. RATES AND CHARGES. The board shall prescribe the rates and charges for:

(1) services;
(2) supplies; and
(3) the use of hospital facilities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient to a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board may contract with:

(1) any county or municipality located outside the district for the care and treatment of a sick or injured person of that county or municipality; and
(2) this state or a federal agency for the treatment of a sick or injured person for whom this state or the federal government is responsible.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.111. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to their financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.112. AUTHORITY TO SUIT AND BE SUED. The district, through the board, may sue and be sued.
Sec. 1075.151. BUDGET. (a) The district administrator shall prepare for approval by the board an annual budget that corresponds to the district's fiscal year.

(b) Not later than August 31 of each year, the board shall publish notice of a public hearing on the proposed budget. The notice must be published in a newspaper of general circulation in the district one time at least 10 days before the date of the hearing.

Sec. 1075.152. FISCAL YEAR. The district shall operate on a fiscal year that begins on October 1 and ends on September 30.

Sec. 1075.153. AUDIT. (a) The district shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office.

Sec. 1075.154. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of that money.
Sec. 1075.155. DEPOSITORY.  (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) All district money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to an appropriate bank to pay the principal of and interest on the district's outstanding bonds on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being designated as depository.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.156. AUTHORITY TO BORROW MONEY; SECURITY.  (a) The board may borrow money from a federally insured lending institution or make other financial arrangements for district operating expenses or other authorized obligations.

(b) The board may borrow money in an amount and subject to a rate of interest and other terms the board finds appropriate.

(c) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness; or

(2) property acquired with borrowed money that is not pledged to pay the district's bonded indebtedness.

(d) A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(e) The district must provide for the payment of all district debts and obligations before dissolution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
SUBCHAPTER E. BONDS

Sec. 1075.201. GENERAL OBLIGATION BONDS. (a) The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose related to the purchase, construction, acquisition, repair, or renovation of buildings and improvements, and equipping buildings and improvements for a hospital and the hospital system, as determined by the board.

(b) The board shall issue the bonds in compliance with the applicable provisions of Subtitles A and C, Title 9, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1075.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board shall call the election. The election must be held in accordance with Chapter 1251, Government Code.

(c) The bond election order must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding election officers;
(4) the amount of the bonds to be authorized;
(5) the maximum maturity of the bonds; and
(6) the maximum interest rate of the bonds.
Sec. 1075.204. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name, and the board secretary shall attest the bonds as provided by Chapter 618, Government Code.

Sec. 1075.205. REFUNDING BONDS. (a) District refunding bonds may, without an election, be issued to refund any bonds or other refundable indebtedness issued by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding bonds or other refundable indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of the outstanding bonds or other refundable indebtedness.

Sec. 1075.206. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) any profits made in the sale of the bonds.
may impose a tax on all taxable property in the district subject to
district taxation.

(b) The tax may be used to meet the requirements of district
bonds and for the district's maintenance and operating expenses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1075.252. TAX RATE. The district may impose the tax at a
rate not to exceed 75 cents on each $100 valuation of taxable
property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

CHAPTER 1076. STARR COUNTY HOSPITAL DISTRICT
OF STARR COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1076.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of trustees of the district.
(2) "District" means the Starr County Hospital District of
Starr County, Texas.
(3) "Trustee" means a member of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1076.002. AUTHORITY FOR CREATION. The Starr County
Hospital District of Starr County, Texas, is created under the
authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1076.003. POLITICAL SUBDIVISION. The district is a
political subdivision of this state.
Sec. 1076.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries.

(b) The district is a governmental agency performing an essential public function under the constitution in carrying out the purposes of this chapter.

Sec. 1076.005. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Starr County, Texas, including all "cut over" or "banco" land on the north side of the Rio Grande River.

Sec. 1076.051. BOARD ELECTION; TERM. (a) A board of five trustees shall exercise the powers of the district.

(b) One trustee is elected from each commissioners precinct and one trustee is elected from the district at large by a majority of district voters.

(c) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) trustees serve two-year terms;

(2) trustees who represent odd-numbered precincts and the trustee elected at large are elected in odd-numbered years;

(3) trustees who represent even-numbered precincts are elected in even-numbered years; and

(4) a trustee's election shall be held each year on the May uniform election date prescribed by Section 41.001, Election Code, or another date authorized by law.
Sec. 1076.052. NOTICE OF ELECTION. Notice of a trustees' election shall be published in a newspaper of general circulation in the district in accordance with Section 4.003, Election Code.

Sec. 1076.053. QUALIFICATIONS FOR OFFICE. To qualify for election as a trustee, a person must:
   (1) be at least 18 years of age;
   (2) have been a resident of the district for at least two years;
   (3) have been a resident of the commissioners precinct from which the person is to be elected for at least two years, unless the person is running at large; and
   (4) be a qualified voter.

Sec. 1076.054. BOND. (a) Each trustee shall execute a good and sufficient commercial bond for $1,000 that is:
   (1) payable to the district; and
   (2) conditioned on the faithful performance of the trustee's duties.
   (b) The district may pay for a trustee's bond with district money.

Sec. 1076.055. BOARD VACANCY. If a vacancy occurs on the board, the majority of remaining trustees shall appoint a trustee for the unexpired term.
Sec. 1076.056. OFFICERS; DUTIES; ABSENCE OF PRESIDENT OR SECRETARY. (a) The board shall elect from among its members a president, vice president, and secretary, and other officers as in the judgment of the board are necessary.

(b) The president shall preside over district meetings and has the same right to vote as any other trustee.

(c) If the president is absent or fails or declines to act, the vice president shall perform the president's duties and exercise the president's powers under this chapter.

(d) The secretary:

(1) shall keep and sign the minutes of the board meetings; and

(2) is the custodian of the district's minutes and records.

(e) If the secretary is absent from a board meeting, the board shall name a secretary pro tem for the meeting who may:

(1) exercise all the duties and powers of the secretary for the meeting; and

(2) sign the minutes of the meeting.

Sec. 1076.057. COMPENSATION; EXPENSES. A trustee serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the board.

Sec. 1076.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator
serve at the will of the board and shall receive the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.

(e) On assuming the duties of assistant administrator, the assistant administrator shall execute a bond payable to the district in an amount set by the board that:

(1) is conditioned on the assistant administrator performing the assistant administrator's duties; and

(2) contains other conditions the board may require.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.060. APPOINTMENT AND REMOVAL OF MEDICAL STAFF AND EMPLOYEES. (a) The board may appoint any doctors to its medical staff and employ any technicians, nurses, and other employees as considered necessary for the efficient operation of the district or may provide that the district administrator has the authority to employ those persons.

(b) The board may make temporary appointments the board considers necessary.

(c) The board may, after due process, remove from the medical staff any doctor whose removal the board considers necessary for the efficient operation of the district.
Sec. 1076.061. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may use district money, enter into agreements, and take other necessary action to recruit or otherwise obtain physicians and other personnel for the district's medical staff or for employment with the district, including:

(1) advertising and marketing;
(2) paying recruitment expenses;
(3) paying travel and relocation expenses;
(4) providing a guarantee, subsidy, loan, or scholarship;
(5) sharing personnel; and
(6) authorizing a physician to use space in a district facility or providing a rent subsidy to a physician.

Sec. 1076.062. HEALTH CARE EDUCATIONAL PROGRAMS. The board may use district money, enter into agreements, and take other necessary action to conduct, participate in, or assist health care educational programs for the public and for current or potential medical staff members or employees.

Sec. 1076.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 1076.101. DISTRICT RESPONSIBILITY. The district shall provide medical and hospital care for the district's needy inhabitants.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. (a) The district has authority to operate hospital facilities.

(b) The board shall manage, control, and administer the district's hospital and hospital system and carry out the functions of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.103. HOSPITAL SYSTEM. The district shall provide for:

(1) the establishment of a hospital or hospital system in the district to provide medical and hospital care and treatment and related services to district residents by:

(A) purchasing, constructing, acquiring, repairing, or renovating buildings, facilities, and improvements; and

(B) equipping the buildings, facilities, and improvements for hospital purposes; and

(2) the operation, maintenance, and administration of the hospital or hospital system for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.104. RULES. The board may adopt rules for the operation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1076.105. PURCHASING AND ACCOUNTING. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.

(b) The board may:

(1) acquire property, including facilities and equipment, for the district for use in the hospital system;

(2) mortgage or pledge the property as security for the payment of the purchase price;

(3) lease hospital facilities for the district; and

(4) sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(2) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.108. GIFTS, GRANTS, AND ENDOWMENTS. The board may accept for the district a gift, grant, or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the federal government is responsible.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.110. CONTRACTS FOR SERVICES. (a) The board may contract with any person to obtain or supply the facilities and services the board considers necessary for the efficient operation of the district.

(b) The board may contract with a public or private hospital, a political subdivision of this state, or a state or federal agency for the district to provide a mobile emergency medical service or to provide for the investigatory or welfare needs of district inhabitants.
Sec. 1076.111.  PROVISION OF CERTAIN HEALTH SERVICES.  The district may operate or provide for:

(1)  the operation of a mobile emergency medical or air ambulance service;
(2)  home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care; and
(3)  any other reasonable or appropriate medical care or medical service.

Sec. 1076.112.  PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the board or district administrator shall have an inquiry made into the circumstances of:

(1)  the patient; and
(2)  the patient's relatives legally liable for the patient's support.

(b)  If the board or district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c)  If the board or district administrator determines that the patient or those relatives are liable to pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care. The amount ordered must be proportionate to their financial ability and may not exceed the usual and customary charges for services.

(d)  The board or district administrator may collect the amount from the patient's estate, or from any relative legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e)  If there is a dispute as to the ability to pay between any...
party and the board or district administrator, the county court shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute; and
(2) issue any appropriate orders.

(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.113. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use money contributed by the district only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may enter into a joint venture with any public or private entity or individual to provide health care or other services the district is authorized to provide under this chapter.

(d) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(e) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1076.151. BUDGET. The board shall prepare a budget that includes:

(1) proposed expenditures and disbursements;
(2) estimated receipts and collections for the next fiscal year; and
(3) the amount of taxes required to be imposed to meet the proposed budget.
Sec. 1076.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.
(b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.
(c) Any district resident is entitled to:
(1) appear at the hearing; and
(2) be heard regarding any item in the proposed budget.

Sec. 1076.153. FISCAL YEAR. (a) The board shall establish the district fiscal year.
(b) The fiscal year may not be changed:
(1) during a period that revenue bonds of the district are outstanding; or
(2) more than once in a 24-month period.

Sec. 1076.154. ANNUAL AUDIT. As soon as practicable after the close of each fiscal year, the board shall have an annual audit made of the district's books and records by an independent public accountant.

Sec. 1076.155. FINANCIAL REPORT. (a) As soon as practicable after the close of each fiscal year, the district administrator shall prepare a report that includes:
(1) a complete sworn statement of all district money;
(2) a complete account of the disbursements of that money during the previous fiscal year; and
(3) the details of district operation during the previous fiscal year.

(b) The district administrator shall make the report to the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.156. PROJECTS AND PURCHASES EXEMPT FROM ASSESSMENT OR TAXATION. The district is not required to pay a tax or assessment on:
(1) a district project or any part of the project; or
(2) a district purchase.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.157. DEPOSITORY. (a) The board shall select one or more banks in this state to act as a depository of bond proceeds or of revenue derived from the operation of district facilities.
(b) The depository shall, as determined by the board:
(1) furnish indemnity bonds;
(2) pledge securities; or
(3) meet any other requirement.
(c) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being selected as depository.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.158. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.
(b) To secure a loan, the board may pledge:
(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or

(3) a district bond that has been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.159. INVESTMENT OF DISTRICT MONEY. (a) The law applicable to municipalities with respect to security for and investment of money governs, as applicable, the investment of district money. The bond order, resolution, or trust indenture may further restrict the investment.

(b) To the extent authorized in the bond order, resolution, or trust indenture and until the money is needed, the district may invest the proceeds of district bonds in direct obligations of or obligations unconditionally guaranteed by the United States.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER E. BONDS**

Sec. 1076.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for the purchase, construction, acquisition, repair, or renovation of buildings and improvements and equipping the buildings and improvements for district purposes or any combination of those purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1076.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds or other bonds secured wholly or partly by an ad valorem tax, other than refunding bonds, only if the bonds are authorized by a majority of the voters voting at an election held for that purpose.

(b) The order and publication of notice for the bond election must be provided in accordance with Chapter 1251, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.204. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute district general obligation bonds in the district's name, and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.205. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, equip, or renovate buildings and improvements for district purposes; or

(2) acquire sites for district purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of district revenue derived from the operation of the

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district's hospital or health care facilities.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.206. REFUNDING BONDS. (a) The board may issue refunding bonds to refund any outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.207. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1076.202 and revenue and other sources as authorized by Section 1076.205.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.209. USE OF BOND PROCEEDS. The district may use the
proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;
(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
(5) costs related to the bond issuance;
(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and
(7) construction costs of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.210. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state:

(1) bonds issued by the district;
(2) the transfer of the bonds; and
(3) the income from the bonds, including profits made on the sale of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER F. TAXES**

Sec. 1076.251. IMPOSITION OF AD VALOREM TAX. The board may impose a tax on all property in the district subject to district taxation.
Sec. 1076.252. TAX RATE. The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of taxes, which may not exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER G. DISSOLUTION

Sec. 1076.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district’s assets.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered district voters.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001, Election Code, does not apply to an election ordered under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1076.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Starr County Hospital District."

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Starr County or
another governmental entity in Starr County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If the district does not make the transfer under Subsection (a)(1) and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all the money has been disposed of and all district debts have been paid or settled.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine any debt owed by the district; and

(2) impose on the property included on the district's tax roll a tax that is in proportion of any debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the board secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the board secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1076.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Starr County summarizing the board's actions in dissolving the district.
(b) Not later than the 10th day after the date the commissioners court receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order:
   (1) dissolving the district; and
   (2) releasing the board from any further duty or obligation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

CHAPTER 1077. GAINESVILLE HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1077.001. DEFINITIONS. In this chapter:
   (1) "Board" means the board of directors of the district.
   (2) "Director" means a member of the board.
   (3) "District" means the Gainesville Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.002. AUTHORITY FOR OPERATION. The Gainesville Hospital District operates in accordance with Section 9, Article IX, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Cooke County, Texas, except that the district does not include territory located in the

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Muenster Hospital District on the date the election to approve the creation of the Gainesville Hospital District was called.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.005. PUBLIC PURPOSE; TAX EXEMPTION. All property owned by the district:

(1) shall be held for public purposes; and

(2) is exempt from taxation of every character by this state or a political subdivision of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1077.051. BOARD ELECTION; TERM. (a) The district is governed by a board of nine directors.

(b) Directors serve staggered three-year terms.

(c) An election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1077.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in a newspaper of general circulation in the area of the district in accordance with Section 4.003, Election Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.053. QUALIFICATIONS FOR OFFICE. To be qualified to hold office as a director, a person must be:

(1) a resident of the district; and
(2) a registered voter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.054. MEETING ATTENDANCE REQUIREMENT. (a) A director who fails to attend at least four regular meetings in any 12-month period is considered to have resigned the director's position, effective immediately on the date of the fourth absence. Further action is not required by the director or the board to effectuate a vacancy under this subsection.

(b) A vacancy created by a resignation under this section shall be filled as provided by Section 1077.055.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1077.056. OFFICERS. The board shall elect from among its members a president, vice president, secretary, and other officers as in the judgment of the board are necessary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.057. COMPENSATION; EXPENSES. A director is not entitled to compensation but is entitled to receive actual expenses incurred in attending to district business on approval of the expenses by the remainder of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.

(e) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.
Sec. 1077.060. APPOINTMENT AND DISMISSAL OF STAFF AND EMPLOYEES. (a) The board may appoint to or dismiss from the medical staff the physicians, dentists, and podiatrists the board determines necessary for the efficient operation of the district.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to hire district employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.061. PERSONNEL CONTRACTS. (a) The board may contract with a nonprofit corporation for the corporation to provide administrative and other personnel for the operation of the hospital facilities.

(b) The term of the contract may not exceed 25 years from the date the contract is executed.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.062. RETIREMENT BENEFITS. The board may enter into any contract or agreement with this state or the federal government that is required to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1077.101. DISTRICT RESPONSIBILITY. (a) The district has full responsibility for operating all hospital facilities for
providing medical and hospital care of the indigent persons in the district.

(b) The district shall provide medical and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision in the district, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes for medical treatment of indigent persons in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.104. RULES. The board may adopt rules governing the operation of the district and as required to administer this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1077.106. DISTRICT PROPERTY, FACILITIES, EQUIPMENT, AND SERVICES. (a) The board has exclusive authority to determine the type, character, and use of facilities in the hospital system. 
(b) The district may:
(1) purchase, construct, acquire, repair, or renovate buildings and improvements;
(2) mortgage or pledge the buildings and improvements as security for the payment of the purchase price, subject to Subsection (c); and
(3) equip buildings and improvements for hospital purposes.
(c) The total amount of debt secured by the district's buildings and improvements may not exceed $2.5 million.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 863 (H.B. 1307), Sec. 1, eff. June 18, 2015.

Sec. 1077.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.
Sec. 1077.109.  CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT.  (a) The board may contract with a county or municipality located outside the district for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the agency is responsible.

Sec. 1077.110.  PAYMENT FOR TREATMENT; PROCEDURES.  (a) When an indigent patient who resides in the district is admitted to a district facility or a person who does not reside in the district is admitted as an emergency patient to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district as care for indigents.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the estate of the patient, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in
the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and

(2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.111. AUTHORITY TO SUE AND BE SUED. As a governmental entity, the district, through the board, may sue and be sued in its own name in any court of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1077.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The budget must be for the next fiscal year and must include:

(1) proposed expenditures and disbursements;

(2) estimated receipts and collections; and

(3) the amount of taxes required to be imposed for the year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.152. PROPOSED BUDGET; NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in Cooke County not later than the 10th day before the date of the hearing.

(c) Any district taxpayer is entitled to:

(1) appear at the time and place designated in the notice; and
be heard regarding any item included in the proposed budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.153. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.
(b) The fiscal year may not be changed more than once in a 36-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.154. AUDIT. (a) The district shall have an audit made of the district's financial condition.
(b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.155. FINANCIAL REPORT. As soon as practical after the close of each fiscal year, the district administrator shall prepare for the board:
(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.156. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.
(b) District money shall be immediately deposited on receipt with a depository bank to pay the principal of and interest on the district's outstanding bonds on or before the maturity date of the
principal and interest.
(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.
(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being designated as a depository bank.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER E. BONDS**

Sec. 1077.201. BONDS. The board may issue and sell bonds to:
(1) purchase, construct, acquire, repair, or renovate buildings and improvements; and
(2) equip buildings and improvements for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.202. TAX TO PAY BONDS. (a) The board may issue bonds under Section 1077.201 payable from ad valorem taxes. If the bonds are payable from ad valorem taxes, the board shall impose an ad valorem tax to create an interest and sinking fund sufficient to pay the principal of and interest on the bonds as the bonds mature.
(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.203. BOND ELECTION. (a) The district may issue bonds under Section 1077.201 that are payable from taxes only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.
(b) The board may order the election on its own motion.
(c) The order calling the election must specify:
(1) the date of the election;
(2) the location of the polling places;
(3) the presiding election officers;
(4) the purpose of the bond issuance;
(5) the amount of the bonds to be authorized; and
(6) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given by publishing a
substantial copy of the order calling the election in a newspaper of
general circulation in the district once each week for two
consecutive weeks before the date of the election. The first
publication must occur at least 14 days before the date of the
election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1077.204. REVENUE BONDS. (a) The board may issue bonds
under Section 1077.201 payable from the district's revenue. The
board may issue the revenue bonds without an election.

(b) The bonds must be payable from all or part of the revenue
derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed
of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance
with the procedures and requirements prescribed by Sections 264.042,
264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety
Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1077.205. MATURITY OF TAX BONDS. District bonds payable
from taxes must mature not later than 40 years after the date of
issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.
Sec. 1077.206. EXECUTION OF BONDS. (a) The board president shall execute the district bonds in the district's name.
(b) The board secretary shall countersign the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1077.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.
(b) The board shall impose the tax to:
(1) pay the interest on and create a sinking fund for bonds issued or assumed by the district for hospital purposes; and
(2) care for indigents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.
(b) Not more than 65 cents of the rate authorized by Subsection (a) may be imposed in any year to pay the interest on and create a sinking fund for bonds issued or assumed by the district for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.253. TAX ASSESSOR-COLLECTOR. (a) Except as provided by Subsection (b), the tax assessor-collector of Cooke County shall assess and collect taxes imposed by the district.
(b) The board may appoint a district tax assessor-collector under Section 285.041, Health and Safety Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1078.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Houston County Hospital District.

Sec. 1078.002. AUTHORITY FOR OPERATION. The Houston County Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Sec. 1078.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Sec. 1078.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Houston County, Texas, except that portion of Houston County within the boundaries of the Grapeland Hospital District of Houston County, Texas, as those boundaries existed on August 26, 1985, is not included in the district.

Sec. 1078.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or
maintenance of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.006.  RESTRICTION ON STATE FINANCIAL ASSISTANCE.  The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B.  DISTRICT ADMINISTRATION

Sec. 1078.051.  BOARD ELECTION; TERM.  (a)  The district is governed by a board of nine directors elected by place.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.052.  NOTICE OF ELECTION.  At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.053.  BALLOT PETITION.  A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action.  The petition must:

(1) be signed by at least 100 registered voters of the district as determined by the most recent official list of registered voters;

(2) be filed not later than the 31st day before the date of
the election; and
    (3) specify the place for which the person is to be a candidate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:
    (1) a resident of the district; and
    (2) a qualified voter.

(b) A district employee may not serve as a director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.055. BOND; RECORD OF BOND. (a) Before assuming the duties of office, each director must execute a bond for $5,000 that is:
    (1) payable to the district; and
    (2) conditioned on the faithful performance of the director's duties.

(b) The board may pay for a director's bond with district money.

(c) The bond shall be kept in the permanent records of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1078.057. OFFICERS. (a) The board shall elect a president and a vice president from among its members.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.058. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.059. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in the amount set by the board of not less than $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the administrator's duties under this chapter.
(d) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the general affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:

(1) the assistant district administrator; and
(2) the attorney for the district.

(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.063. APPOINTMENTS AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1078.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:

(A) the Texas County and District Retirement System; or
(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1078.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.102. RESTRICTION ON HOUSTON COUNTY TAXATION AND DEBT. Houston County may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of the
district staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1078.105. PURCHASING AND ACCOUNTING PROCEDURES. The board
may prescribe:
(1) the method of making purchases and expenditures by and
for the district; and
(2) accounting and control procedures for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1078.106. MOBILE EMERGENCY MEDICAL SERVICE. The district
may operate or provide for the operation of a mobile emergency
medical service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1078.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine:
(1) the type, number, and location of buildings required to
maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.
(b) The board may:
(1) acquire property, including facilities and equipment,
for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for the
payment of the purchase price.
(c) The board may lease hospital facilities from others for the
district.
(d) The board may sell or otherwise dispose of property,
including facilities or equipment, for the district.
Sec. 1078.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the property interest is necessary to exercise a right or authority conferred by this chapter.  

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit money in the trial court or execute a bond as provided by Section 21.021(a)(2) or (3), Property Code.  

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Sec. 1078.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or electric transmission, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Sec. 1078.110. GIFTS AND ENDOWMENTS. The board may accept for
Sec. 1078.111. LEASE OF DISTRICT PROPERTY. (a) The board may lease all or part of the district's property, including facilities or equipment, to any person on terms the board considers to be in the district's best interest. The lease period may not exceed 40 years.

(b) When leasing the property the board may delegate as it considers appropriate the board's power to manage or operate the leased property to furnish hospital care.

(c) For each leased property the board shall provide that the lessee charge rates for services rendered or goods provided at the leased premises that, together with other sources of the lessee's revenue, produce an amount sufficient to enable the lessee to pay the expenses of operating and maintaining the leased premises required of the lessee under the lease. The lease must also require the lessee to pay lease rentals to the district that will be sufficient when taken with any other sources of the district's estimated revenue that are pledged for the same purposes to:

(1) pay the interest on any revenue or special obligation bonds that are payable wholly or partly from the lease rentals;

(2) create and maintain a sinking fund to pay the principal of, interest on, and premium, if any, on the bonds as they become due;

(3) create and maintain a bond reserve fund and other fund as provided for in the bond resolution or trust indenture authorizing the issuance of the bonds; and

(4) pay all other charges, fees, costs, and expenses that the lessee is required to pay under the resolution or indenture.

(d) The lease, management agreement, bond resolution, or trust indenture may prescribe systems, methods, routines, procedures, and policies for the operation of the buildings and other facilities owned by the district. If all or part of the district's buildings or other facilities are leased, the district may delegate to the lessee...
the duty to establish the systems, methods, routines, procedures, and policies for the operation of the leased premises.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.112. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.113. OPERATING AND MANAGEMENT CONTRACTS. The district, through its board, may:

(1) enter into an operating or management contract with any person relating to all or any part of its hospital facility;

(2) delegate to the person the power to manage and operate all or part of the hospital facilities or hospital system; and

(3) employ and discharge employees or appoint and remove doctors from the staff.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.114. CONTRACTS FOR CARE. The board may contract with any lessee of the district's hospital facilities or any other person to provide hospital care to needy district inhabitants for payments and under terms that the board considers to be in the district's best interests.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1078.115. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of the state or with a state or federal agency for the district or for any lessee of the district's hospital facilities to:

(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.116. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator or a person designated by the board may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that a patient or a relative of the patient legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or any part of the care and treatment provided by the district, the district administrator or the person designated by the board shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(d) The district administrator or the person designated by the board may collect the amount owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator or the person designated by the
board has any doubt concerning a person's ability to pay, the board shall:

(1) call witnesses;
(2) hear and resolve the question; and
(3) issue a final order.

(f) The final order of the board may be appealed to a district court in Houston County. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.117. REIMBURSEMENT FOR SERVICE. (a) The board shall require a county or municipality located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county or municipality.

(b) The board shall require the sheriff of Houston County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Houston County and is not a district resident.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.118. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCE PROVISIONS

Sec. 1078.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:
(1) the outstanding obligations of the district;
(2) the amount of cash on hand in each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget. (b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing. (c) Any district resident is entitled to be present and participate at the hearing. (d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board determines to be in the interests of the taxpayers. (e) The budget is effective only after adoption by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.154. RESTRICTION ON EXPENDITURES. Money may be spent
only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.
(b) The fiscal year may not be changed:
   (1) during a period that revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:
   (1) a sworn statement of the amount of district money; and
   (2) an account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1078.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1078.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by this section and Sections 1078.112, 1078.201, 1078.204, and 1078.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1078.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate
buildings or improvements;
(2) equip buildings or improvements for hospital purposes;
or
(3) acquire and operate a mobile emergency medical service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1078.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of a tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The board may order a bond election.
(c) The order calling the election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of the polling places;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1078.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;
(2) acquire sites to be used for hospital purposes; or
(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1078.207. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.
(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. AD VALOREM TAX
Sec. 1078.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.
(b) The tax shall be imposed for and may be pledged to:
(1) meet the requirements of district bonds and the indebtedness assumed by the district;
(2) provide for the district's maintenance and operating expenses, including the cost or contract payments for hospital care for needy district inhabitants; and
(3) make improvements and additions to the district's hospital facilities or hospital system and acquire necessary sites for those improvements and additions by gift, purchase, lease, or condemnation.
(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1078.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1078.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1079. JACK COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1079.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Jack County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.002. AUTHORITY FOR OPERATION. The Jack County Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.003. ESSENTIAL PUBLIC FUNCTION. The district is a
public entity performing an essential public function.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Jack County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. This state may not become obligated for the support or maintenance of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 1079.051. BOARD ELECTION; TERM. (a) The board is governed by five directors elected at large by place.

(b) Directors serve staggered three-year terms. An election shall be held each year to elect the appropriate number of directors.

(c) A director's term begins on the first day of the month that immediately follows the director's election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1117 (H.B. 3896), Sec. 1, eff.
Sec. 1079.052. QUALIFICATIONS FOR OFFICE. To be eligible to be a candidate for or to serve as a director, a person must be:

(1) a resident of the district; and
(2) a qualified voter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.053. BOND; RECORD OF BOND. (a) Before assuming the duties of office, each director must execute a bond for $5,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) The board may pay for a director's bond with district money.

(c) The bond shall be kept in the permanent records of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.054. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.055. OFFICERS. (a) The board shall elect a president and a vice president from among its members.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office for the
unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

1. reported in the district's records; and
2. approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.057. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.058. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) Before assuming the duties of district administrator, the administrator shall execute a bond in the amount determined by the board of not less than $5,000 that is:

1. payable to the district; and
2. conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1079.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the general affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.060. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.
(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, and other necessary employees.
(c) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.061. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1079.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; and
(2) providing medical and hospital care for the district's needy inhabitants.
Sec. 1079.102. RESTRICTION ON COUNTY TAXATION AND DEBT. Jack County may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Sec. 1079.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Sec. 1079.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Sec. 1079.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Sec. 1079.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency
medical service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.
(b) The board may:
(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.
(c) The board may lease hospital facilities for the district.
(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the property interest is necessary to exercise a right or authority conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:
(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.
Sec. 1079.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.111. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.112. OPERATING AND MANAGEMENT CONTRACTS. The board
may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect the money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for collection of expenses in the last illness of a deceased
(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall:
   (1) call witnesses;
   (2) hear and resolve the question; and
   (3) issue a final order.

(f) The final order of the board may be appealed to a district court in Jack County. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.115.  REIMBURSEMENT FOR SERVICES.  (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Jack County or the police chief of the City of Jacksboro to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Jack County or the City of Jacksboro and is not a district resident.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.116.  AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1079.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district. (b) The proposed budget must contain a complete financial statement, including a statement of: (1) the outstanding obligations of the district; (2) the amount of cash on hand in each district fund; (3) the amount of money received by the district from all sources during the previous year; (4) the amount of money available to the district from all sources during the ensuing year; (5) the amount of the balances expected at the end of the year in which the budget is being prepared; (6) the estimated amount of revenue and balances available to cover the proposed budget; and (7) the estimated tax rate required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget. (b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing. (c) Any district resident is entitled to be present and participate at the hearing. (d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers. (e) The budget is effective only after adoption by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.
Sec. 1079.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Sec. 1079.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.
   (b) The fiscal year may not be changed:
       (1) during a period that revenue bonds of the district are outstanding; or
       (2) more than once in a 24-month period.

Sec. 1079.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Sec. 1079.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Sec. 1079.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall
prepare for the board:

(1) a sworn statement of the amount of district money; and

(2) an account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1079.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and must remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1079.111, 1079.201, 1079.204, and 1079.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and the immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
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Sec. 1079.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:
(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip buildings or improvements for hospital purposes; or
(3) acquire and operate a mobile emergency medical service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1079.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.
(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.
(b) The board may order a bond election.
(c) The order calling the election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of the polling places;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.
(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.
(e) The board shall declare the results of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;
(2) acquire sites to be used for hospital purposes; or
(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund an outstanding indebtedness issued or assumed by the district.

(b) Refunding bonds may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.206. MATURITY OF BONDS. District bonds must mature
not later than 50 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.207. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1079.202 and revenue and other sources authorized by Section 1079.204.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1117 (H.B. 3896), Sec. 2, eff. June 14, 2013.

Sec. 1079.210. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1117 (H.B. 3896), Sec. 2, eff. June 14, 2013.

SUBCHAPTER F. TAXES

Sec. 1079.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:
   (1) indebtedness issued or assumed by the district; and
   (2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on
each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1079.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER G. DISSOLUTION**

Sec. 1079.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1117 (H.B. 3896), Sec. 3, eff. June 14, 2013.

Sec. 1079.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in
a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1117 (H.B. 3896), Sec. 3, eff. June 14, 2013.

Sec. 1079.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Jack County Hospital District."

Added by Acts 2013, 83rd Leg., R.S., Ch. 1117 (H.B. 3896), Sec. 3, eff. June 14, 2013.

Sec. 1079.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1117 (H.B. 3896), Sec. 3, eff. June 14, 2013.

Sec. 1079.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Jack County or another governmental entity in Jack County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.
(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1117 (H.B. 3896), Sec. 3, eff. June 14, 2013.

Sec. 1079.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and
(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1117 (H.B. 3896), Sec. 3, eff. June 14, 2013.

Sec. 1079.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Jack County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Jack County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1117 (H.B. 3896), Sec. 3, eff. June 14, 2013.
CHAPTER 1080. NIXON HOSPITAL DISTRICT OF GONZALES AND WILSON COUNTIES, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1080.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Nixon Hospital District of Gonzales and Wilson Counties, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.002. AUTHORITY FOR CREATION. The Nixon Hospital District of Gonzales and Wilson Counties, Texas, is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.003. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2(a), Chapter 644, Acts of the 59th Legislature, Regular Session, 1965. Notwithstanding the metes and bounds description provided by that section, the district does not include any land in Karnes County.

(b) The district's boundaries described by Section 2(a), Chapter 644, Acts of the 59th Legislature, Regular Session, 1965, form a closure. An error in copying the description of the boundaries does not affect the validity of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.
Sec. 1080.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.051. BOARD ELECTION; TERMS. (a) The board consists of seven directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.052. QUALIFICATIONS FOR OFFICE. To qualify for election to the board, a person must:

(1) be at least 18 years of age;
(2) have been a resident of the district for at least two years;
(3) be a qualified voter; and
(4) own taxable property in the district and have duly rendered that property for taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) A person elected to the board shall qualify for office by executing a good and sufficient commercial bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the
director's duties.  
(b) The district shall pay for a director's bond.  
(c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository for safekeeping.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.054. OFFICERS. The board shall elect from among its members a president, a secretary, and a treasurer at the first meeting after each directors' election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.055. COMPENSATION; EXPENSES. A director is not entitled to compensation but is entitled to reimbursement for necessary expenses incurred in the performance of official duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.056. DISTRICT ADMINISTRATOR. (a) The board may employ a district administrator to manage the operations of the hospital system.  
(b) The district administrator may employ necessary personnel to perform the services provided by the hospital system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.057. EMPLOYEES. The board may employ an attorney, a general manager, a bookkeeper, an architect, and other employees necessary for the efficient operation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1080.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. The board shall:

(1) maintain all district records, including books, accounts, notices, minutes, and other matters of the district and its operation, at the district office; and

(2) make those records available for public inspection at reasonable times.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1080.101. DISTRICT RESPONSIBILITY. The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations to provide hospital service or medical care in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.103. MANAGEMENT AND CONTROL OF THE DISTRICT. The management and control of the district is vested in the board, and the board has full power to manage and control the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1080.104. HOSPITAL SYSTEM. The district has the responsibility to establish a hospital, hospital system, or clinic within its boundaries to provide hospital and medical care to the district's residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.105. RULES. (a) The board shall adopt rules for the efficient operation of the district, including district facilities.

(b) The board shall:
   (1) publish the rules in book form; and
   (2) provide copies to interested persons on request at district expense.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in real, personal, or mixed property located in district territory if the interest is necessary for the district to exercise a power or duty conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court; or
(2) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.109. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR HOSPITAL AND MEDICAL CARE. The board may contract with another political subdivision to provide hospital and medical care for needy persons who reside outside the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.110. CONTRACT CONCERNING HEALTH CARE FACILITY IN DISTRICT. The district may contract with any of the following entities for the entity to lease, manage, or operate a health care facility in the district:

(1) the DeWitt Medical District; and

(2) Gonzales Healthcare Systems.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.111. PAYMENT FOR TREATMENT; PROCEDURE. (a) A person who resides in the district is entitled to receive necessary medical and hospital care regardless of whether the person has the ability to pay for the care and may apply to receive this care without cost.
(b) The board or the district administrator shall employ a person to investigate the ability of the patient and any relative who is liable for the patient's support to pay for the medical and hospital care received by the patient.

(c) If the investigator determines that the patient or relative legally liable for the patient's support cannot pay all or part of the costs of the patient's care, the expense of the care becomes a charge against the district.

(d) If the patient or a relative legally liable for the patient's support can pay for all or part of the costs of the patient's care, the board shall order the patient or relative to pay to the treasurer each week an amount specified in the order. The amount must be proportionate to the person's ability to pay.

(e) The district may collect the amount from the patient's estate, or from any relative who is liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the investigator, the board shall hold a hearing and, after calling witnesses, shall:

(1) determine the question; and

(2) make the proper order based on the board's findings.

(g) A party to the hearing who is not satisfied with the result of the order may appeal to the district court. The appeal is de novo, as that term is used in an appeal from a justice court to a county court.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1080.151. BUDGET. The board shall prepare a budget that includes:

(1) proposed expenditures and disbursements;

(2) estimated receipts and collections for the next fiscal year; and

(3) the amount of taxes required to be imposed to meet the proposed budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1080.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.
(b) Notice of the hearing must be published at least once in a newspaper of general circulation in each county in the district not later than the 10th day before the date of the hearing.
(c) Any person who owns taxable property in the district and has duly rendered that property for taxation is entitled to:
   (1) appear at the hearing; and
   (2) be heard regarding any item in the proposed budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.153. FISCAL YEAR. The district's fiscal year is from October 1 to September 30.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.154. ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.
(b) Not later than December 1 of each year, the board shall file a copy of the audit with:
   (1) the comptroller; and
   (2) the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.155. DEPOSITORY. (a) The board by resolution shall designate a bank in Gonzales or Wilson County as the district's depository. The designated bank serves for two years and until a successor is designated.
(b) All district money shall be deposited in the depository and secured in the manner provided for securing county funds.
Sec. 1080.201. BONDS. The district may issue bonds to:
(1) purchase, construct, acquire, repair, or renovate buildings or improvements; and
(2) equip buildings for hospital purposes.

Sec. 1080.202. TAX TO PAY BONDS. The board may issue bonds under Section 1080.201 only if the board imposes an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

Sec. 1080.203. BOND ELECTION. (a) The board may issue bonds under Section 1080.201 only if the bonds are authorized by a majority of district voters voting in an election held for that purpose. The total face value of the bonds may not exceed the amount specified in the election order.

(b) The board may order a bond election at any time.

(c) The order calling an election must include:
(1) the time of the election;
(2) the location of the polling places;
(3) the form of the ballots;
(4) the presiding judge for each polling place;
(5) the purpose of the bond issuance;
(6) the amount of the bonds to be authorized;
(7) the maximum interest rate of the bonds; and
(8) the maximum maturity of the bonds.

(d) A substantial copy of the election order shall be published in a newspaper of general circulation in each county in the district once a week for two consecutive weeks before the date of the
election. The first notice must be published at least 14 days before the date of the election.

(e) A copy of the election results must be filed with the county clerks of Gonzales and Wilson Counties and become a public record.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.204. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.205. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1080.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used only to:

(1) pay the interest on and create a sinking fund for bonds issued under this chapter;

(2) provide for the operation and maintenance of the district and hospital system;

(3) make improvements and additions to the hospital system; and

(4) acquire sites for additions to the hospital system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1080.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1080.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collectors of Gonzales and Wilson Counties shall collect the district taxes imposed on property located in each assessor-collector's respective county.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1081. NOCONA HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1081.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Nocona Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.002. AUTHORITY FOR OPERATION. The Nocona Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.
Sec. 1081.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Nocona and Prairie Valley Independent School Districts of Montague County, Texas, as those boundaries existed on January 1, 1971.

Sec. 1081.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Sec. 1081.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Sec. 1081.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for construction, maintenance, or improvement of a district facility.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1081.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large.
(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:
   (1) directors serve staggered two-year terms;
   (2) an election shall be held annually on the May uniform election date under Section 41.001, Election Code; and
   (3) the terms of four directors expire in odd-numbered years and the terms of three directors expire in even-numbered years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.052. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:
   (1) a resident of the district; and
   (2) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:
   (1) the district chief executive officer;
   (2) a district employee; or
   (3) a medical staff member of the hospital.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.053. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.054. OFFICERS. (a) The board shall elect:
   (1) a president and vice president from among its members; and
   (2) a secretary, who need not be a director.

(b) Each officer of the board serves for a term of one year.

(c) The board shall fill a vacancy in a board office for the unexpired term.
Sec. 1081.055. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Sec. 1081.056. QUORUM. Any four directors constitute a quorum.

Sec. 1081.057. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Sec. 1081.058. CHIEF EXECUTIVE OFFICER; ASSISTANT TO CHIEF EXECUTIVE OFFICER. (a) The board shall appoint a qualified person as the chief executive officer of the district.

(b) The board may appoint an assistant to the chief executive officer.

(c) The chief executive officer and any assistant to the chief executive officer serve at the will of the board and are entitled to
the compensation determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.059. GENERAL DUTIES OF CHIEF EXECUTIVE OFFICER. Subject to the limitations prescribed by the board, the chief executive officer shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.060. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.
(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.
(c) The board may delegate to the chief executive officer the authority to hire district employees, including technicians and nurses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 1081.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may
not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for the district's inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the buildings and equipment for hospital purposes.

(b) The hospital system may include:

(1) residential care of the sick and injured;
(2) outpatient clinics;
(3) dispensaries;
(4) nursing home facilities;
(5) necessary nurses;
(6) training centers;
(7) blood banks;
(8) community mental health centers;
(9) research centers or laboratories; and
(10) any other facility the board considers necessary for hospital care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's
staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power,
right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

1. pay in advance or provide a bond or other security for costs in the trial court;
2. provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
3. provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.110. CONSTRUCTION CONTRACTS. A construction contract that requires the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be entered into only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a
district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITALIZATION. (a) The board may contract with a county or municipality located outside the district's boundaries for the hospitalization of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the hospital treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY AND OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the hospitalization needs of district inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.114. CARE AND TREATMENT FOR INDIGENT. The district shall provide health care and treatment to indigent persons in accordance with policies and procedures adopted by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.115. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 1081.151. BUDGET. (a) The chief executive officer shall prepare an annual budget for approval by the board.
(b) The proposed budget must contain a complete financial statement of:
   (1) the outstanding obligations of the district;
   (2) the cash on hand in each district fund;
   (3) the money received by the district from all sources during the previous year;
   (4) the money available to the district from all sources during the ensuing year;
   (5) the balances expected at the end of the year in which the budget is being prepared;
   (6) the estimated revenue and balances available to cover the proposed budget; and
   (7) the estimated tax rate required.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
(b) The board shall publish notice of the hearing in accordance with Chapter 551, Government Code.
(c) Any district resident is entitled to be present and be heard at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the chief executive officer. The board may make any changes in the proposed budget that the board judges to be in the interest of the taxpayers and that the law warrants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.
Sec. 1081.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:
   (1) if revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.156. AUDIT. The board shall have an audit made of the district's financial condition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the chief executive officer shall prepare for the board:
   (1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.159. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1081.160(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1081.107(c) and Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal year.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1081.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1081.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order and publication of notice for the bond election must be provided in accordance with Chapter 1251, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.205. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.206. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.207. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER F. TAXES**

Sec. 1081.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to pay:
(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.
(c) The board may not impose the tax to pay the principal of or interest on revenue bonds issued under Section 1081.204.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.
(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 1081.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the registered district voters voting in an election held for that purpose.
(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.
(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.
(d) The election shall be held not later than the 60th day after the date the election is ordered.
(e) The order calling the election must state:
the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.
(f) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Nocona Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1081.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Montague County or another governmental entity in Montague County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all the money has been disposed of and all district debts have been paid or settled.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1081.306. IMPOSITION OF TAX AND RETURN OF SURPLUS. (a) After the board finds that the district is dissolved, the board shall:

(1) determine any debt owed by the district; and

(2) impose on the property included on the district's tax roll a tax that is in proportion of any debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1081.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Montague County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Montague County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1082. NOLAN COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1082.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Nolan County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.002. AUTHORITY FOR OPERATION. The Nolan County Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1082.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Nolan County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1082.051. BOARD ELECTION; TERMS. (a) The district is governed by a board of not fewer than seven or more than nine directors, as determined by the board.

(b) As determined by the board, the directors are elected from:

(1) the district at large;

(2) single-member districts; or

(3) any combination of single-member districts and at-large positions.

(c) At an election for directors in which at least two directors are to be elected at large, the appropriate number of candidates receiving the highest number of votes are elected. An election for at-large directors may not be by place or numbered post.

(d) Unless four-year terms are established under Section 285.081, Health and Safety Code:
(1) directors serve two-year terms; and
(2) an election shall be held each year to elect the appropriate number of directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.052. NOTICE OF ELECTION. Not later than the 35th day before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.053. BALLOT PETITION. A person seeking to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must:
(1) be signed by at least 10 registered voters of the district, as determined by the most recent official list of registered voters, who:
   (A) reside in the appropriate single-member district, if the person seeks to become a candidate to represent a single-member district; or
   (B) reside anywhere in the district, if the person seeks to become a candidate to represent the district at large;
(2) be filed not later than the 31st day before the date of the election; and
(3) specify the single-member district the person seeks to represent or specify that the candidate seeks to represent the district at large.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:
(1) a resident of the district; and
(2) a qualified voter.

(b) A person who is elected from a single-member district or who is appointed to fill a vacancy for a single-member district must reside in that single-member district.

(c) A district employee may not serve as a director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.056. OFFICERS. (a) The board shall elect a president and a vice president from among its members.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1082.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in an amount determined by the board of not less than $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:

(1) the assistant district administrator; and

(2) the attorney for the district.

(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to the compensation determined by the board.
Sec. 1082.062. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as considered necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

Sec. 1082.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Sec. 1082.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; and

(2) providing medical and hospital care for the district's needy inhabitants.
Sec. 1082.102. RESTRICTION ON GOVERNMENTAL ENTITY TAXATION AND DEBT. Nolan County, the City of Sweetwater, or any other governmental entity in which the district is located may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.

(b) The board may:

1. acquire property, including facilities and equipment, for the district for use in the hospital system; and
2. mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease hospital facilities for the district.

(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

1. pay in advance or provide a bond or other security for costs in the trial court;
2. provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
3. provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.108. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear
the actual cost of relocating, raising, lowering, rerouting, changing
the grade, or altering the construction to provide comparable
replacement without enhancement of facilities, after deducting the
net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1082.109. GIFTS AND ENDOWMENTS. The board may accept for
the district a gift or endowment to be held in trust for any purpose
and under any direction, limitation, or other provision prescribed in
writing by the donor that is consistent with the proper management of
the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1082.110. CONSTRUCTION CONTRACTS. (a) The board may
enter into construction contracts for the district.

(b) The board may enter into a construction contract that
involves the expenditure of more than the amount provided by Section
271.024, Local Government Code, only after competitive bidding as
provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1082.111. OPERATING AND MANAGEMENT CONTRACTS. The board
may enter into an operating or management contract relating to a
hospital facility for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1082.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
SERVICES. The board may contract with a political subdivision of
this state or with a state or federal agency for the district to:
(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of
district inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a
patient who resides in the district is admitted to a district
facility, the district administrator may have an inquiry made into
the financial circumstances of:
(1) the patient; or
(2) a relative of the patient who is legally responsible
for the patient's support.

(b) The district without charge shall provide to a patient who
resides in the district the care and treatment that the patient or a
relative of the patient who is legally responsible for the patient's
support cannot pay.

(c) On determining that the patient or a relative legally
responsible for the patient's support can pay for all or part of the
care and treatment provided by the district, the district
administrator shall report that determination to the board, and the
board shall issue an order directing the patient or the relative to
pay the district a specified amount each week. The amount must be
based on the individual's ability to pay.

(d) The district administrator may collect money owed to the
district from the estate of the patient or from that of a relative
legally responsible for the patient's support in the manner provided
by law for collection of expenses of the last illness of a deceased
person.

(e) If there is a dispute relating to an individual's ability
to pay or if the district administrator has any doubt concerning an
individual's ability to pay, the board shall:
(1) call witnesses;
(2) hear and resolve the question; and
(3) issue a final order.

(f) A final order of the board may be appealed to a district
court in Nolan County. The substantial evidence rule applies to the
appeal.
Sec. 1082.114. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Nolan County or the police chief of the City of Sweetwater, as appropriate, to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Nolan County or the City of Sweetwater, as appropriate, and is not a district resident.

(c) The board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.115. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1082.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand to the credit of each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all
sources during the ensuing year;
   (5) the amount of the balances expected at the end of the
year in which the budget is being prepared;
   (6) the estimated amount of revenue and balances available
to cover the proposed budget; and
   (7) the estimated tax rate to be required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The
board shall hold a public hearing on the proposed annual budget.
(b) The board shall publish notice of the hearing in a
newspaper of general circulation in the district not later than the
10th day before the date of the hearing.
(c) Any district resident is entitled to be present and
participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a
budget by acting on the budget proposed by the district
administrator. The board may make any changes in the proposed budget
that the board judges to be in the interests of the taxpayers.
(e) The budget is effective only after adoption by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.153. AMENDMENTS TO BUDGET. After the annual budget
is adopted, the budget may be amended on the board’s approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.154. RESTRICTION ON EXPENDITURES. Money may be spent
only for an expense included in the budget or an amendment to the
budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1082.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.
(b) The fiscal year may not be changed:
   (1) during a period that revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:
   (1) a sworn statement of the amount of district money; and
   (2) an account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.
   (b) District money, other than money invested as provided by
Section 1082.160(b) and money transmitted to a bank of payment as a trustee for bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the power of the board to place a portion of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1082.110, 1082.201, 1082.204, and 1082.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1082.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements; or

(2) equip buildings or improvements for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1082.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1082.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election.

(c) The order calling the election must specify:

(1) the nature and date of the election;
(2) the hours during which the polls will be open;
(3) the location of the polling places;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) Refunding bonds may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.206. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.208. BONDS EXEMPT FROM TAXATION. The following are
exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER F. TAXES**

Sec. 1082.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1082.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.
CHAPTER 1083. NORTH WHEELER COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISONS

Sec. 1083.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the North Wheeler County Hospital District.

Sec. 1083.002. AUTHORITY FOR CREATION. The North Wheeler County Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by this chapter.

Sec. 1083.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Sec. 1083.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners Precincts 1 and 2 of Wheeler County, Texas, as those boundaries existed on January 1, 1963.
Sec. 1083.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION
Sec. 1083.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors elected as follows:
(1) two directors are elected from each commissioners precinct included in the district; and
(2) one director is elected from the district at large.
(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:
(1) directors serve staggered two-year terms; and
(2) a directors' election shall be held each year on the May uniform election date prescribed by Section 41.001, Election Code, to elect the appropriate number of directors.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.012(a), eff. September 1, 2011.

Sec. 1083.052. NOTICE OF ELECTION. Notice of a directors' election shall be published in a newspaper of general circulation in Wheeler County in accordance with Section 4.003, Election Code.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1083.053. BALLOT APPLICATION. A person seeking to have
the person's name printed on the ballot as a candidate for director
must file an application in accordance with Chapter 144, Election
Code, with the board secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.012(b),
eff. September 1, 2011.

Sec. 1083.054. QUALIFICATIONS FOR OFFICE. (a) A person may not
be elected or appointed as a director unless the person is:
(1) a resident of the district;
(2) a registered voter; and
(3) more than 18 years of age at the time of election or
appointment.
(b) A person who is elected from a commissioners precinct or
who is appointed to fill a vacancy for a commissioners precinct must
be a resident of that precinct.
(c) A district employee may not serve as a director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.012(d),
eff. September 1, 2011.

Sec. 1083.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF
OFFICE. (a) Each director shall execute a good and sufficient
commercial bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the
director's duties.

(b) The district shall pay for a director's bond.

(c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.057. OFFICERS. The board shall elect from among its members a president, a vice president, and a secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.058. COMPENSATION. A director serves without compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.059. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.
Sec. 1083.060. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.

(a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $10,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.

Sec. 1083.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Sec. 1083.062. EMPLOYEES. The board may employ any doctors, technicians, nurses, and other employees as considered necessary for the efficient operation of the district or may provide that the district administrator has the authority to employ those persons.
Sec. 1083.063. RETIREMENT PROGRAM. The board may enter into any contract or agreement with this state or the federal government that is required to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1083.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:
(1) operating all hospital facilities for providing medical and hospital care of indigent persons; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. Wheeler County or another political subdivision, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes for medical treatment of indigent persons in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.104. HOSPITAL SYSTEM. The district shall provide for:
(1) the establishment of a hospital or hospital system in the district by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements; and
   (B) equipping the buildings and improvements; and
(2) the administration of the hospital system for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
   (1) the method and manner of making purchases and expenditures by and for the district; and
   (2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.
   (b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1083.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside Wheeler County for the care and treatment of a sick or injured person of that county or municipality. (b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the federal government is responsible.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.
(d) The district administrator may collect the amount from the estate of the patient, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.111. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1083.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board. The budget must be for the fiscal year prescribed by Section 1083.152.

(b) Not later than August 31 of each year, the board shall publish notice of a public hearing on the proposed budget. The notice must be published in a newspaper of general circulation in Wheeler County at least 10 days before the date of the hearing.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.152. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) if revenue bonds are outstanding; or
(2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1083.153. AUDIT. (a) The district shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.154. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.155. DEPOSITORY. (a) The board shall select one or more banks in Wheeler County to serve as a depository for district money.

(b) District money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to an appropriate bank to pay the principal of and interest on the district's outstanding bonds or other obligations on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being selected as a depository bank.
SUBCHAPTER E. BONDS

Sec. 1083.201. GENERAL OBLIGATION BONDS. (a) The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose related to the purchase, construction, acquisition, repair, or renovation of buildings or improvements, and equipping buildings or improvements for a hospital and the hospital system, as determined by the board.

(b) The board shall issue the bonds in compliance with the applicable provisions of Subtitles A and C, Title 9, Government Code.

Sec. 1083.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1083.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Sec. 1083.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board shall call the election. The election must be held in accordance with Chapter 1251, Government Code.

(c) The bond election order must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding election officers;
(4) the amount of the bonds to be authorized;
(5) the maximum maturity of the bonds; and
(6) the maximum interest rate of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.204. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name, and the board secretary shall attest the bonds as provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.2045. REVENUE BONDS. (a) The board may issue revenue bonds to:
(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital system purposes; or
(2) acquire sites to be used for hospital system purposes.
(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.
(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.014(a), eff. September 1, 2011.

Sec. 1083.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund any bonds issued by the district.
(b) A refunding bond may be:
(1) sold, with the proceeds of the refunding bond applied
to the payment of the outstanding bonds; or
  (2) exchanged wholly or partly for not less than a similar principal amount of the outstanding bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.206. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
  (1) bonds issued by the district;
  (2) the transfer and issuance of the bonds; and
  (3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.207. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. (a) In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1083.202 and revenue and other sources as authorized by Section 1083.2045.

  (b) Bonds, other than refunding bonds, that the board proposes to secure wholly or partly by an ad valorem tax must be approved at an election held in the district in accordance with Section 1083.203.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.014(b), eff. September 1, 2011.

Sec. 1083.208. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:
  (1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
  (2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
  (3) costs related to the operation and maintenance of a
project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;
   (4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
   (5) costs related to the bond issuance;
   (6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and
   (7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.014(b), eff. September 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1083.251. IMPOSITION OF AD VALOREM TAX. (a) The district may impose a tax on all property in the district subject to district taxation.
   (b) The tax may be used:
   (1) to meet the requirements of district bonds; and
   (2) for the district's maintenance and operating expenses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.252. TAX RATE. The district may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1083.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Wheeler County shall assess and collect taxes imposed by
the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 1083.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only if the dissolution is approved by a majority of the registered voters of the district voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by a number of registered voters of the district equal to at least 15 percent of the registered voters in the district.

(d) Section 41.001, Election Code, does not apply to an election ordered under this subchapter.

(e) The order calling an election under this subchapter must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.015(a), eff. September 1, 2011.

Sec. 1083.302. NOTICE OF ELECTION. (a) The board shall give notice of the election by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 35th day before the date set for the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.015(a), eff. September 1, 2011.
Sec. 1083.303. BALLOT. The ballot for the election must be printed to permit voting for or against the proposition: "The dissolution of the North Wheeler County Hospital District."

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.015(a), eff. September 1, 2011.

Sec. 1083.304. ELECTION RESULTS. (a) If a majority of the votes in the election favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district, and another election on the question of dissolution may not be held before the first anniversary of the most recent election to dissolve the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.015(a), eff. September 1, 2011.

Sec. 1083.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Wheeler County or another governmental entity in Wheeler County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district transfers the land, buildings, improvements, equipment, and other assets to Wheeler County or another governmental entity, the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If the district does not transfer the land, buildings, improvements, equipment, and other assets to Wheeler County or another governmental entity, the board shall administer the property, assets, and debts of the district until all funds have been disposed
of and all district debts have been paid or settled, at which time the district is dissolved.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.015(a), eff. September 1, 2011.

Sec. 1083.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine any debt owed by the district; and
(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) When all outstanding debts and obligations of the district are paid, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.015(a), eff. September 1, 2011.

Sec. 1083.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its assets and money as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Wheeler County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date it receives the report and determines that the requirements of this section have been fulfilled, the Commissioners Court of Wheeler County shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.015(a), eff. September 1, 2011.
CHAPTER 1084. PALO PINTO COUNTY
HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1084.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Palo Pinto County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.002. AUTHORITY FOR OPERATION. The Palo Pinto County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Palo Pinto County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.
Sec. 1084.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors as follows:
(1) six directors elected by place; and
(2) the chief of staff elected by the medical staff under Section 1084.063.
(b) Unless four-year terms are established under Section 285.081, Health and Safety Code, the directors elected to the board serve staggered three-year terms.

Sec. 1084.052. NOTICE OF ELECTION. Notice of each directors' election shall be published in a newspaper of general circulation in Palo Pinto County in accordance with Chapter 4, Election Code.

Sec. 1084.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed to an elected position on the board unless the person is:
(1) a resident of the district; and
(2) a qualified voter.
(b) In addition to the requirements prescribed by Subsection (a), a person is not eligible to serve as a director if the person:
(1) directly or indirectly has an ownership or investment interest in a health care facility located in Palo Pinto County; or
(2) directly or in conjunction with another person or entity has an ownership interest in another business or entity that:
   (A) is related to health care; and
Sec. 1084.054. GROUNDS FOR REMOVAL. (a) It is a ground for removal from the board that a director violates a prohibition established by Section 1084.053(b). A director may be removed for the violation in accordance with the procedures provided by Subchapter B, Chapter 87, Local Government Code, for removing a county official.

(b) The validity of a board action is not affected by the fact that the action is taken when a ground for removal of a director exists.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION. (a) Each director shall execute a good and sufficient bond for $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond and the constitutional oath or
affirmation of office shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.056. BOARD VACANCY. (a) If a vacancy occurs in the office of elected director, the remaining directors by majority vote shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies of the elected positions. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.057. DIRECTOR RIGHTS AND RESPONSIBILITIES. All directors have the same rights and responsibilities with regard to voting and other matters.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.058. OFFICERS. (a) The board shall elect a president, vice president, and secretary from among its members.

(b) Each officer of the board serves for a term of one year and may serve successive terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.059. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the
expenses by the entire board as reported in the board minutes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.060. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.061. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board may appoint a qualified person as district administrator.
(b) The board may appoint an assistant administrator.
(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
(1) is conditioned on the administrator performing the administrator's duties; and
(2) contains other conditions the board may require.
(e) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.062. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1084.063. ELECTION OF CHIEF OF STAFF. At least once every two years, the medical staff of the hospital system owned and operated by the district shall elect a chief of staff.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.064. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may provide that the district administrator has the authority to employ or appoint to the staff doctors, nurses, technicians, and any other employees as necessary for the efficient operation of the district.

(b) The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees, including:

(1) advertising and marketing;
(2) paying travel, recruitment, and relocation expenses;
(3) providing a loan or scholarship to a physician or a person who:
   (A) is currently enrolled in health care education courses at an institution of higher education; and
   (B) contractually agrees to become a district employee or medical staff member; or
   (4) paying the tuition or other expenses of a full-time medical student or other student in a health occupation who:
      (A) is enrolled in and is in good standing at an accredited medical school, college, or university; and
      (B) contractually agrees to become a district employee or independent contractor in return for that assistance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.065. PERSONNEL CONTRACTS. (a) The board may contract to provide administrative and other personnel for the operation of the hospital facilities.

(b) The term of a contract may not exceed 25 years.
Sec. 1084.066. EDUCATIONAL PROGRAMS; COURSES. The board may provide or contract for the provision of educational programs or courses for district employees and medical staff.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.067. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in a statewide retirement system in which the district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.068. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1084.055, all district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and

(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1084.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1084.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Palo Pinto County or a municipality in the district may not impose a tax on property in the district for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.104. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.105. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board may:

(1) purchase or lease property, including facilities or equipment, for the district to use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.

(b) The board may lease district hospital facilities to individuals, corporations, or other legal entities.

(c) The board may sell or otherwise dispose of the district's property, including facilities or equipment.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1084.106. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021, Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.107. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.108. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.
(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.109. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:
   (1) the patient; and
   (2) the patient's relatives who are legally liable for the patient's support.
   (b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.
   (c) If the district administrator determines that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability.
   (d) The district may collect the amount from the estate of the patient, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.
   (e) The board may institute a suit to collect an amount owed to the district by a patient who has not been determined to be unable to pay under this section.
   (f) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
      (1) resolve the dispute or doubt; and
      (2) issue an appropriate order.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1084.110. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use district money, other than money the corporation pays to the district, only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.111. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district, through the board, may sue and be sued in the district's own name in any court of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.112. INSPECTIONS. The district is subject to inspection by any authorized representative of this state. A district officer or employee shall:

(1) admit the representative into any district facility; and

(2) provide the representative with access on demand to any record, report, book, paper, or account relating to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1084.151. BUDGET. The district administrator shall
prepare an annual budget for approval by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to:

(1) appear at the time and place designated in the notice; and

(2) be heard regarding any item included in the proposed budget.

(d) The annual budget is effective only after adoption by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.154. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1084.155. ANNUAL AUDIT. The board annually shall have an independent audit made of the district's books and records.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection at the district's office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.157. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank to serve as the district's depository or treasurer.

(b) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.158. GENERAL AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.
Sec. 1084.159. AUTHORITY TO BORROW MONEY IN EMERGENCY; SECURITY. (a) If money is not available to meet an authorized obligation of the district, the board shall adopt an order declaring an emergency. After the order is adopted, the board may borrow money on district notes at a rate not to exceed 12 percent a year to meet the obligation.

(b) To secure the loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax that is to be imposed not later than the first anniversary of the date of the loan and that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) The board may spend money obtained from a loan under this section only to meet the obligation that made the loan necessary. The board may spend money obtained from any taxes or bonds used to secure the loan only for the purpose for which the taxes were imposed or the bonds were authorized.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1084.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district, to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; and

(3) acquire sites to be used for district purposes.
Sec. 1084.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1084.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Sec. 1084.203. ELECTION FOR GENERAL OBLIGATION BONDS. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order the election on its own motion.

(c) The election shall be conducted in accordance with Chapter 1251, Government Code.

Sec. 1084.204. REVENUE BONDS. (a) The board may issue and sell revenue bonds in the name and on the faith and credit of the district to purchase, construct, acquire, repair, renovate, or equip buildings or improvements for district purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for the issuance of revenue bonds by a county hospital.
authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.205. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.
(b) The board secretary shall countersign the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1084.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.
(b) The board shall impose the tax to:
(1) pay the interest on and create a sinking fund for bonds or other obligations issued or assumed by the district for hospital purposes;
(2) provide for the operation and maintenance of the district and hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1084.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 1084.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district’s assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters of the district.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1084.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Palo Pinto County Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to a county or to another governmental entity in Palo Pinto County;

(2) sell the assets and liabilities to another person; or

(3) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsections (a)(1) and (2) do not apply and the board administers the property, assets, and debts of the district under Subsection (a)(3), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.
Sec. 1084.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) The dissolution of the district and the sale or transfer of the district's assets and liabilities to another person may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(b) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(c) The district may not transfer or dispose of the district's assets except for due compensation unless:

(1) the transfer is made to another governmental entity that serves the district; and

(2) the transferred assets are to be used for the benefit of the district's residents.

(d) A grant from federal funds is an obligation to be repaid in satisfaction.

Sec. 1084.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included on the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus
tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Palo Pinto County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Palo Pinto County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1085. PARKER COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1085.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Parker County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.002. AUTHORITY FOR CREATION. The Parker County Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by this chapter.
Sec. 1085.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Sec. 1085.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Parker County, Texas.

Sec. 1085.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Sec. 1085.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1085.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected as follows:

(1) one director elected from each commissioners precinct of Parker County; and

(2) three directors elected from the district at large.
(b) The board shall declare the results of the election.
(c) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.052. NOTICE OF ELECTION. At least 60 days before the date of an election of directors, the board shall publish notice of the election one time in a newspaper of general circulation in the district. The notice must state the purpose of the election and the election date.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must:

1. be signed by at least 10 registered voters who reside in the district;
2. be filed at least 31 days before the date of the election; and
3. specify the county commissioners precinct the candidate wants to represent or specify that the candidate wants to represent the district at large.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.054. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1085.055. OFFICERS. (a) The board shall elect a president, vice president, and secretary from among its members. (b) Each officer of the board serves for a term of one year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.056. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board may appoint and employ a qualified person as district administrator. (b) The board may appoint and employ an assistant administrator. (c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board. (d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that: (1) is conditioned on the administrator performing the administrator's duties; and (2) contains any other condition the board may require.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.057. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall: (1) supervise the work and activities of the district; and (2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.058. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any physicians and employ any technicians, nurses, and other employees the board considers necessary for the efficient operation of the district.
(b) The board may provide that the district administrator has the authority to hire district employees, including technicians and nurses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.059. RETIREMENT PROGRAM. The board may enter into a contract or agreement with this state or the federal government as required to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.060. LEGAL COUNSEL. (a) The appropriate county, district, or criminal district attorney charged with representing Parker County in civil matters shall represent the district in all legal matters.

(b) The district shall contribute sufficient money to the Parker County general fund for the account designated for the appropriate attorney described in Subsection (a) to pay all additional salaries and expenses incurred by the attorney in performing the duties required by the district.

(c) The board may employ additional legal counsel the board considers advisable.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1085.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care of indigent persons in the district; and

(2) providing medical and hospital care for the district's needy inhabitants.
Sec. 1085.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. Parker County or a municipality in Parker County may not impose a tax or issue bonds or other obligations for hospital purposes or for medical treatment of indigent persons in the district.

Sec. 1085.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

Sec. 1085.104. HOSPITAL SYSTEM. The district shall provide for:

1. the establishment of a hospital system by:
   A. purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   B. equipping the buildings; and
2. the administration of the hospital system for hospital purposes.

Sec. 1085.105. RULES. The board may adopt rules as required to administer this chapter.
Sec. 1085.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may construct, purchase, acquire, lease, add to, maintain, operate, develop, regulate, sell, and convey all land, property, property rights, equipment, hospital facilities, and systems for the maintenance of hospitals, buildings, clinics, structures, and any other facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.108. EMINENT DOMAIN. (a) The district may:

(1) condemn and purchase all land, property, property rights, equipment, hospital facilities, and systems for the maintenance of hospitals, buildings, clinics, structures, and any other facilities; and

(2) exercise the power of eminent domain to effect a purpose described by Subdivision (1), or for acquiring or damaging any land or property, including any kind of property appurtenant to that land or property.

(b) The board must institute and exercise the power of eminent domain under a resolution adopted by the board and in the manner and by the procedure provided by Chapter 21, Property Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.109. GIFTS AND ENDOWMENTS. The board may accept for
the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or a municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the federal government is responsible.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.111. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.
(d) The district administrator may collect the amount from the estate of the patient, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1085.151. BUDGET. The district administrator shall prepare an annual budget for approval by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
   (b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.
   (c) The board must approve the annual budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1085.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.155. FISCAL YEAR. The district operates according to a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.156. AUDIT. (a) The district shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.158. DEPOSITORY. (a) The board shall select one or more financial institutions to serve as a depository for district money.

(b) District money shall be immediately deposited on receipt with a depository institution, except that sufficient money must be remitted to the institution designated for the payment of principal of and interest on the district's outstanding bonds or other
obligations assumed by the district in time for the institution to make that payment on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository institution is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a financial institution does not disqualify the institution from being designated as a depository.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.159. AUTHORITY TO BORROW MONEY. The board may contract indebtedness or borrow money for district purposes on the credit of the district or secured by revenues of district hospitals and the hospital system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1085.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose related to the purchase, construction, acquisition, repair, or renovation of improvements and equipping improvements for hospitals and the hospital system, as determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1085.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.
(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the lesser of:
   (1) the maximum tax rate approved by district voters; or
   (2) 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.203. GENERAL OBLIGATION BOND ELECTION. (a) The board may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.
   (b) The board shall call the election. The election must be held in accordance with Chapter 1251, Government Code.
   (c) The bond election order must specify:
      (1) the date of the election;
      (2) the location of the polling places;
      (3) the presiding election officers;
      (4) the amount of the bonds to be authorized;
      (5) the maximum interest rate of the bonds; and
      (6) the maximum maturity of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.204. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name and the board secretary shall attest the bonds as provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund any bonds issued or assumed by the district.
(b) A refunding bond may be:
   (1) sold, with the proceeds of the refunding bond applied
to the payment of outstanding bonds; or
   (2) exchanged wholly or partly for not less than a similar
principal amount of the outstanding bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1085.206. BONDS EXEMPT FROM TAXATION. The following are
exempt from taxation by this state or a political subdivision of this
state:
   (1) bonds issued by the district;
   (2) the transfer and issuance of the bonds; and
   (3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

SUBCHAPTER F. GENERAL TAX PROVISIONS

Sec. 1085.251. IMPOSITION OF AD VALOREM TAX. (a) The board
shall impose a tax on all property in the district subject to
district taxation.
   (b) The board shall impose the tax to pay:
       (1) indebtedness issued or assumed by the district; and
       (2) the maintenance and operating expenses of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1085.252. TAX RATE. (a) The board may impose the tax at
a rate not to exceed the lesser of:
   (1) the maximum tax rate approved by district voters; or
   (2) 75 cents on each $100 valuation of all taxable property
in the district.
   (b) In setting the tax rate, the board shall consider the
income of the district from sources other than taxation.
Sec. 1085.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the district's maximum tax rate to a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) The maximum tax rate may not be increased unless the increase is approved by a majority of the district voters voting in an election held for that purpose.

(c) An election held under this section must be ordered and notice must be given in the manner provided for a bond election under Subchapter E.

Sec. 1085.254. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Parker County shall assess and collect taxes imposed by the district.
Sec. 1085.302. SALES AND USE TAX AUTHORIZED. The district may adopt a sales and use tax for the benefit of the district if the tax is approved by a majority of the voters of the district voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.303. SALES TAX. (a) If the district adopts the tax under Section 1085.302, a tax is imposed on the receipts from the sale at retail of taxable items in the district.

(b) The rate of the tax imposed under Subsection (a) is one-half of one percent.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.304. USE TAX. (a) If the district adopts the tax under Section 1085.302, an excise tax is imposed on the use, storage, or other consumption in the district of taxable items purchased, leased, or rented from a retailer during the period that the tax is effective in the district.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.305. CONSIDERATION OF TAX RATE. The rate of the sales and use tax imposed by the district under this subchapter is not counted in determining the limitation prescribed by law on local sales and use taxes imposed by a municipality or county in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1085.306. APPLICABILITY OF TAX CODE. (a) Except as provided by Subsection (b) and Section 1085.307, Chapter 323, Tax Code, governs:

(1) an election to approve the adoption of the sales and use tax under this subchapter; and

(2) the imposition, computation, administration, governance, use, and repeal of the tax.

(b) The following sections of the Tax Code do not apply to the sales and use tax under this subchapter:

(1) Sections 323.101(d) and (e); and

(2) Section 323.209.

(c) In determining procedures under Chapter 323, Tax Code:

(1) a reference in that chapter to "the county" means the district; and

(2) a reference to the "commissioners court" means the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1085.307. REPEAL OF TAX. (a) If the district adopts the tax under Section 1085.302, the county clerk of Parker County shall place on the ballot a proposition on the question of repealing the tax if the county clerk receives a petition requesting the repeal that is signed by a number of registered voters of the district equal to at least 10 percent of the total number of votes cast in the most recent election at which the adoption of the tax was approved.

(b) The county clerk shall place the proposition on the ballot at the first November uniform election date that occurs at least 121 days after the date the county clerk receives the petition.

(c) If a majority of the voters voting in the election to repeal the tax approve the repeal, the repeal of the tax takes effect on the January 1 following the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1086.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Crosby County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.002. AUTHORITY FOR OPERATION. The Crosby County Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Crosby County, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.005. DISTRICT SUPPORT OR MAINTENANCE NOT STATE OBLIGATION. This state may not become obligated for the support or maintenance of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction,
maintenance, or improvement of a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1086.051. BOARD ELECTION AND APPOINTMENT; TERM. (a) The district is governed by a board of 12 directors as follows:
(1) two directors elected from each commissioners precinct; and
(2) four directors appointed by the Crosby County Commissioners Court.
(b) Directors serve staggered two-year terms.
(c) A directors' election shall be held annually on the May uniform election date, or another date authorized by law, to elect the appropriate number of directors.
(d) The commissioners court shall annually within 10 days of the date that elected directors are elected appoint the appropriate number of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.101(4), eff. September 1, 2013.

Sec. 1086.052. NOTICE OF ELECTION. Not later than the 35th day before the date of a directors' election, notice of the election must be published one time in a newspaper with general circulation in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for a position as an elected director must file with the board secretary a petition requesting that action. The petition must:
(1) be signed by at least 10 registered voters of the
district, as determined by the most recent official list of
registered voters;
(2) be filed by the deadline imposed by Section 144.005,
Election Code; and
(3) specify the commissioners precinct the candidate wants
to represent.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1086.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible
to be a candidate for an elected position or to serve as an elected
director, a person must be:
(1) a resident of the district; and
(2) a registered voter.
(b) To be eligible to serve as an appointed director, a person
must be a registered voter.
(c) In addition to the qualifications required by Subsection
(a), a person who is elected from a commissioners precinct or who is
appointed to fill a vacancy for a commissioners precinct must be a
resident of that commissioners precinct.
(d) A district employee may not serve as a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1086.055. BOND; RECORD OF BOND. (a) Before assuming the
duties of office, each director must execute a bond for $5,000 that
is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the
director's duties.
(b) The board may pay for directors' bonds with district money.
(c) Each director's bond shall be kept in the district's
permanent records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.
Sec. 1086.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.057. OFFICERS. (a) The board shall elect from among its members a president and a vice president.
(b) The board shall appoint a secretary, who need not be a director.
(c) The president may vote only to break a tie vote.
(d) Each officer of the board serves a one-year term.
(e) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.058. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.059. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1086.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to compensation as determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in an amount determined by the board of not less than $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:

(1) the assistant district administrator; and

(2) the attorney for the district.

(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to compensation as determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.063. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make
temporary appointments as considered necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1086.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.102. RESTRICTION ON GOVERNMENTAL ENTITY TAXATION AND DEBT. Crosby County, the City of Ralls, Crosbyton, or Lorenzo, or any other governmental entity in which the district is located may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1086.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.
(b) The board may:
(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.
(c) The board may lease hospital facilities for the district.
(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary to exercise a right or authority conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable
replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.111. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or

(2) provide for the investigatory or welfare needs of
district inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; or

(2) a relative of the patient legally responsible for the patient's support.

(b) The district without charge shall provide to a patient who resides in the district the care and treatment that the patient or a relative of the patient legally responsible for the patient's support cannot pay.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for collection of expenses of the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:

(1) call witnesses;

(2) hear and resolve the question; and

(3) issue a final order.

(f) The final order of the board may be appealed to a district court in Crosby County. The substantial evidence rule applies to the appeal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1086.115. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Crosby County or the police chief of the City of Crosbyton, Ralls, or Lorenzo, as appropriate, to reimburse the district for the district's care and treatment of a person confined in a jail facility of Crosby County or the City of Crosbyton, Ralls, or Lorenzo, as appropriate, who is not a district resident.

(c) The board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1086.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

1. the outstanding obligations of the district;
2. the amount of cash on hand to the credit of each district fund;
3. the amount of money received by the district from all sources during the previous year;
4. the amount of money available to the district from all sources during the ensuing year;
5. the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate to be required.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
(b) The board shall publish notice of the hearing in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.
(c) Any district resident is entitled to be present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.
(e) The budget is effective only after adoption by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the annual budget or an amendment to the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.155. FISCAL YEAR. (a) The district operates
according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and

(2) an account of the disbursements of that money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1086.160(b) and money transmitted to a bank of payment as a trustee for bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall
remain on deposit. This subsection does not limit the power of the board to:

(1) place a portion of district money on time deposit; or

(2) purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1086.111, 1086.201, 1086.204, and 1086.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1086.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1086.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
the time general obligation bonds are issued by the district, the
board shall impose an ad valorem tax at a rate sufficient to create
an interest and sinking fund to pay the principal of and interest on
the bonds as the bonds mature.

(b) The tax required by this section together with any other ad
valorem tax the district imposes may not in any year exceed the limit
approved by the voters at the election authorizing the imposition of
the tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1086.203. GENERAL OBLIGATION BOND ELECTION. (a) The
district may issue general obligation bonds only if the bonds are
authorized by a majority of the district voters voting at an election
held for that purpose.

(b) The board may order a bond election.

(c) The order calling the election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of the polling places;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by
Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1086.204. REVENUE BONDS. (a) The board may issue revenue
bonds to:

   (1) purchase, construct, acquire, repair, equip, or
   renovate buildings or improvements for hospital purposes;
   (2) acquire sites to be used for hospital purposes; or
   (3) acquire and operate a mobile emergency medical service
to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of
all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.205. REFUNDING BONDS. (a) District refunding bonds may be issued to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:
   (1) sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness; or
   (2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.207. EXECUTION OF BONDS. The board president shall execute the district's bonds in the district's name, and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1086.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1086.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and
(2) district maintenance and operating expenses.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

(d) An appointed director may not vote on the adoption of the tax rate to be set by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1086.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or
may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1087. RANKIN COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1087.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Rankin County Hospital District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.002. AUTHORITY FOR CREATION. The Rankin County Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Rankin Independent School District, as those boundaries existed on January 1, 1967.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1087.005. CONSOLIDATION OF DISTRICT AND MCCAMEY COUNTY HOSPITAL DISTRICT. (a) The McCamey County Hospital District may be consolidated into the Rankin County Hospital District as provided by this section.

(b) On the request of 25 percent or more of the taxpaying voters of each hospital district, the Upton County Commissioners Court shall submit the consolidation proposal for vote.

(c) Consolidation of the district and the McCamey County Hospital District must be separately approved by a two-thirds majority of the voters voting in each hospital district at an election ordered and held for that purpose.

(d) At the consolidation election, five directors shall be elected to serve the consolidated district.

(e) Not more than one consolidation election may be held after each general election.

(f) Refunding bonds may be issued by the consolidated district to refund any outstanding bonds, including bonds issued by the district on consolidation, original bonds, and refunding bonds. Additional funding may be provided as authorized by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1087.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

(c) An election shall be held annually on the May uniform election date or another date authorized by law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.052. NOTICE OF ELECTION. Notice of a directors' election shall be published in a newspaper of general circulation in Upton County in accordance with Section 4.003, Election Code.
Sec. 1087.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed a director unless the person is:
   (1) a resident of the district; and
   (2) at least 18 years of age.
(b) A district employee may not serve as director.

Sec. 1087.054. BOND; RECORD OF BOND. (a) Before assuming the duties of office, each director must execute a bond for $1,000 that is:
   (1) payable to the district; and
   (2) conditioned on the faithful performance of the director's duties.
   (b) The district shall pay for a director's bond.
   (c) Each director's bond shall be deposited with a depository bank of the district for safekeeping.

Sec. 1087.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director.
   (b) A director appointed under this section serves until the next election for directors. A director elected under this subsection serves only for the remainder of the unexpired term.

Sec. 1087.056. OFFICERS. (a) The board shall elect from among its members a president and a vice president.
   (b) The board shall appoint a secretary, who need not be a
Sec. 1087.057. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.058. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and receives the compensation determined by the board.

(c) The board may remove the district administrator at any time.

(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount of not less than $10,000 that:

(1) is conditioned on the administrator performing well and faithfully the administrator's required duties; and

(2) contains any other condition the board may require.

(e) The board may pay for the bond with district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitation prescribed by the board, the district administrator shall:

(1) perform the duties required by the board;

(2) supervise the work and activities of the district; and

(3) direct the affairs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1087.060. ASSISTANT TO DISTRICT ADMINISTRATOR. (a) The board may designate an assistant to the district administrator to discharge a duty or function of the administrator in the event of the administrator's incapacity, absence, or inability to discharge the duty or function.

(b) The assistant shall post the bond required by board order.

(c) The assistant is subject to any limitation prescribed by board order.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.061. LEGAL COUNSEL. The board may employ legal counsel to represent the district in all legal matters.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.062. RETIREMENT PROGRAM. (a) With the approval of the Upton County Commissioners Court, the board may contract with this state and the federal government as necessary to establish or continue a retirement program for the benefit of district employees.

(b) The board may establish other retirement programs for the benefit of district employees as the board considers necessary and advisable.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.063. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1087.054, all district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and

(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 1087.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. A county or a municipality in the district may not impose any tax for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.103. PURCHASING AND ACCOUNTING. The board may prescribe:

(1) the method of making purchases and expenditures by and for the district; and

(2) accounting and control procedures for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.104. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the
district is not required to:

(1) pay in advance or provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(2) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.105. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, and provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.106. CONSTRUCTION CONTRACTS. (a) The board may enter into purchase or construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after advertising as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.107. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board, with the approval of the Upton County Commissioners Court, may contract with:

(1) a county, other than Upton County, for the care and treatment of a person of that county; and

(2) this state or a federal agency for the care and treatment of a sick or injured person for whom the state or agency is responsible.
Sec. 1087.108. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient from the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives are liable to pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute, or doubt in the district administrator's mind, as to the ability to pay, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate order.

(f) Either party to the dispute may appeal the order to the district court. The appeal is de novo as that term is used in an appeal from a justice court to a county court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1087.151. BUDGET. The board annually shall have a budget prepared for the next fiscal year that includes:

1. proposed expenditures and disbursements;
2. estimated receipts and collections; and
3. the amount of taxes required to be imposed for the year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in Upton County not later than the 10th day before the date of the hearing.

(c) Any district taxpayer is entitled to:

1. appear at the time and place designated in the notice; and
2. be heard regarding any item included in the proposed budget.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.153. FISCAL YEAR. The district's fiscal year begins on October 1 and ends on September 30.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1087.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the preceding fiscal year.

(b) Not later than December 31 of each year, the audit shall be filed:

1. with the county clerk of Upton County; and
2. at the district's office.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.155. FINANCIAL REPORT. (a) The board and the district administrator shall annually prepare a report under oath that includes:

1. a complete statement of:
   A. all money and choses in action; and
   B. how the money and choses in action were disbursed or otherwise disposed;

2. the details of district operation during the preceding fiscal year; and

3. a full and complete list of all delinquent accounts owing and due the district, including names and addresses of delinquent debtors.

(b) The report shall be filed in:

1. the district office; and
2. the office of the county clerk of Upton County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.156. DEPOSITORY. (a) The board shall select one or more banks to serve as a depository for district money.

(b) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(c) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being designated as depository.
Sec. 1087.157. INVESTMENT RESTRICTIONS. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Sec. 1087.158. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the district's bonded indebtedness;
   (2) tax revenue to be collected by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or
   (3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Sec. 1087.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

   (1) the purchase, construction, acquisition, repair, or renovation of buildings and improvements; and
   (2) equipping buildings and improvements for hospital purposes.
Sec. 1087.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Sec. 1087.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may call the election on the board's own motion.

(c) The order calling the election must specify:
   (1) the location of the polling places;
   (2) the presiding election officers;
   (3) the purpose of the bond issuance;
   (4) the amount of the bonds to be authorized;
   (5) the maximum interest rate of the bonds; and
   (6) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district once each week for two consecutive weeks before the date of the election. The first publication must occur at least 20 days before the date of the election.

Sec. 1087.204. MATURITY OF GENERAL OBLIGATION BONDS. District
general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.205. EXECUTION OF GENERAL OBLIGATION BONDS. The board's presiding officer shall execute the general obligation bonds in the district's name, and the board secretary shall countersign the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip buildings or improvements for hospital purposes; or
(3) acquire real property for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:
(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or

(2) exchanged wholly or partly for not less than a similar amount of outstanding bonds and the unpaid matured interest on the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1087.202 and revenue and other sources as authorized by Section 1087.206.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:

(A) during an estimated period of acquisition or construction, not to exceed five years; and

(B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) construction costs of a project or facility to be
provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER F. TAXES**

Sec. 1087.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

1. pay the interest on and create a sinking fund for bonds issued or assumed by the district for hospital purposes as provided by this chapter;
2. provide for the operation and maintenance of the hospital or hospital system;
3. make improvements and additions to the district's hospital system; and
4. acquire necessary sites for improvements or additions by purchase, lease, or condemnation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless an election is held under Section 1087.254.

(b) The tax assessor-collector of Upton County shall collect the taxes imposed on all property subject to district taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1087.254. ELECTION FOR SEPARATE TAX ASSESSOR AND SEPARATE TAX COLLECTOR. (a) On receipt of a petition signed by at least five percent of the taxpaying voters in the district, the court may order an election to determine whether the district shall have a separate tax assessor and separate tax collector for the assessment and collection of district taxes.

(b) Notice of the election shall be given as required by Section 1087.052.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.255. APPOINTMENT OF SEPARATE TAX ASSESSOR AND SEPARATE TAX COLLECTOR. If the appointment of a separate tax assessor and separate tax collector is approved by a two-thirds majority vote of the district voters voting at an election held under Section 1087.254, the board shall appoint:

(1) a suitable person as tax assessor; and
(2) a suitable person as tax collector.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

CHAPTER 1088. REAGAN HOSPITAL DISTRICT OF REAGAN COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1088.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Reagan Hospital District of Reagan County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1088.002. AUTHORITY FOR CREATION. The Reagan Hospital District of Reagan County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Reagan County Independent School District of Reagan County, as those boundaries existed on March 24, 1977.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1088.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1088.051. BOARD ELECTION; TERMS. (a) The board consists of six directors elected as follows:

(1) one director elected from each commissioners precinct of Reagan County; and

(2) two directors elected from the district at large.

(b) A redistricting or other change in the boundaries of the commissioners precincts of Reagan County does not affect the service or term of a director in office when the change occurs. The change in the commissioners precincts applies to each election of directors occurring after the change takes effect as the terms of directors then in office expire.

(c) Directors serve staggered three-year terms.

(d) An election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.052. NOTICE OF ELECTION. Notice of an election of directors shall be published one time in a newspaper of general circulation in the district in accordance with Chapter 4, Election Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) a resident of the district; and

(2) a qualified voter.
(b) A director elected from a commissioners precinct is not required to be a resident of that commissioners precinct.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.054. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director to hold office for the remainder of the unexpired term.

(b) If the number of directors is reduced to fewer than five, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district resident, shall order the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.055. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board by vote shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.056. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.057. DIRECTOR PARTICIPATION IN GROUP HEALTH INSURANCE. The directors may participate in any group health
insurance plan sponsored by the district for district employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.058. DISTRICT ADMINISTRATOR; ASSISTANT DISTRICT ADMINISTRATORS. (a) The board may appoint a qualified person as district administrator.
(b) The board may appoint assistant administrators.
(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
(1) is conditioned on the administrator performing the administrator's duties; and
(2) contains other conditions the board may require.
(e) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.060. APPOINTMENT AND DISMISSAL OF STAFF AND EMPLOYEES; CONTRACT WITH DOCTORS. (a) The board may appoint to or dismiss from the staff or contract with any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.
(b) The district may employ fiscal agents, accountants,
architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.061. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees, including:

(1) advertising and marketing;
(2) paying travel, recruitment, and relocation expenses;
(3) providing a loan or scholarship to a physician or a person who:
   (A) is currently enrolled in health care education courses at an institution of higher education; and
   (B) contractually agrees to become a district employee or medical staff member; or
(4) paying the tuition or other expenses of a full-time medical student or other student in a health occupation who:
   (A) is enrolled in and is in good standing at an accredited medical school, college, or university; and
   (B) contractually agrees to become a district employee or independent contractor in return for that assistance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.062. EDUCATIONAL PROGRAMS; COURSES. The board may provide or contract for the provision of educational programs or courses for district employees and medical staff.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.063. SENIORITY; RETIREMENT BENEFITS. (a) The board
may:

(1) adopt rules related to the seniority of district employees; and

(2) establish or administer a retirement program or elect to participate in any statewide retirement program in which the district is eligible to participate.

(b) The district may give effect to previous years of service for district employees continuously employed in the operation or management of the hospital facilities acquired from the county or a municipality when the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1088.101. DISTRICT RESPONSIBILITY. (a) The district has full responsibility for providing hospital care for the district's indigent residents.

(b) The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide hospital service or medical care in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 2318 and S.B. 1621, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1088.104. HOSPITAL SYSTEM. (a) The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

(b) The district shall provide for:
(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   (B) equipping the buildings; and
(2) the administration of the hospital system for hospital purposes and medical purposes.

(c) The hospital system may include:
(1) facilities for domiciliary care of the sick, injured, or geriatric;
(2) outpatient clinics;
(3) dispensaries;
(4) convalescent home facilities;
(5) necessary nurses;
(6) domiciliaries and training centers;
(7) blood banks;
(8) community mental health centers;
(9) research centers or laboratories; and
(10) any other facilities the board considers necessary for medical and hospital care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.
Sec. 1088.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may:

(1) purchase or lease property, including facilities or equipment, for the district to use in the hospital system; and

(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(d) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(e) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.108. EMINENT DOMAIN. (a) The district may exercise
the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021, Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, electric transmission and distribution, telegraph or telephone line, conduit, pole, or facility, or pipeline, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the
district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.111.  CONSTRUCTION CONTRACTS.  A construction contract in excess of the amount provided by Section 271.024, Local Government Code, may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.112.  OPERATING AND MANAGEMENT CONTRACTS.  The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.113.  CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITAL TREATMENT.  (a) The board may contract with a county or municipality located outside the district's boundaries for the hospitalization and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the hospital treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.114.  CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES.  The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the medical, hospital, or welfare needs of district inhabitants.
Sec. 1088.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district hospital facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and

(2) relatives of the patient who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or relatives cannot pay all or part of the costs of the patient's care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or relatives can pay for all or part of the costs of the care and treatment, as determined by the district's indigent health care policy, the patient or relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) The board may institute a suit to collect an amount owed to the district by a patient who has not been determined to be unable to pay under this section.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator concerning the ability to pay, the board shall hold a hearing and, after calling witnesses, shall determine the issue.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.116. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business
Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use its money only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.117. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1088.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget;
(7) the estimated tax rate required; and
(8) the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.
Sec. 1088.152. NOTICE; HEARING; ADOPTION OF BUDGET.  (a) The board shall hold a public hearing on the proposed annual budget.
(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper of general circulation in the district.
(c) Any district resident is entitled to be present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interest of the taxpayers and that the law warrants.

Sec. 1088.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Sec. 1088.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Sec. 1088.155. FISCAL YEAR.  (a) The district operates according to a fiscal year established by the board.
(b) The fiscal year may not be changed:
   (1) during a period that revenue bonds of the district are outstanding; or
(2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.156. ANNUAL AUDIT. The board annually shall have an independent audit made of the district's books and records.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.159. DEPOSITORY. (a) The board shall select one or more banks to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1088.160(b) and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount
that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes treasury bonds in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by this chapter, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or

(3) a district bond that has been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.016(a), eff. September 1, 2011.
SUBCHAPTER E.  BONDS
Sec. 1088.201.  GENERAL OBLIGATION BONDS.  The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:
(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip the buildings or improvements; and
(3) acquire sites to be used for district purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.202.  TAX TO PAY GENERAL OBLIGATION BONDS.  (a) At the time general obligation bonds are issued by the district under Section 1088.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.203.  GENERAL OBLIGATION BOND ELECTION.  (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election called for that purpose.

(b) The election shall be conducted in accordance with Chapter 1251, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.204.  MATURITY OF GENERAL OBLIGATION BONDS.  District bonds must mature not later than 40 years after the date of issuance.
Sec. 1088.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Sec. 1088.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for district purposes; or

(2) acquire sites for those buildings or improvements.

(b) The bonds must be payable from and secured by a pledge of all or part of district revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.044, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Sec. 1088.207. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued or assumed by the district;

(2) the transfer and issuance of the bonds; and

(3) profits made in the sale of the bonds.
Sec. 1088.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1088.202 and revenue and other sources as authorized by Section 1088.206.

Sec. 1088.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.017(a), eff. September 1, 2011.
SUBCHAPTER F. TAXES

Sec. 1088.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the indebtedness issued or assumed by the district;

(2) provide for the operation and maintenance of the district and hospital system;

(3) make improvements and additions to the hospital system; and

(4) acquire necessary sites for those improvements and additions by purchase, lease, or condemnation.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 1088.301. DISSOLUTION; ELECTION. (a) The district may be
dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters of the district.

(d) The order calling the election must state:

1. the nature of the election, including the proposition to appear on the ballot;
2. the date of the election;
3. the hours during which the polls will be open; and
4. the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Reagan Hospital District of Reagan County, Texas."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1088.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Reagan County or to another governmental entity in Reagan County;

(2) sell the assets and liabilities to another person; or

(3) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If the board does not make the transfer under Subsection (a)(1), the board shall sell the assets and liabilities to another person under Subsection (a)(2) or administer the property, assets, and debts of the district under Subsection (a)(3), and the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) The dissolution of the district and the sale or transfer of the district's assets and liabilities to another person may not contravene a trust indenture or bond resolution relating to the
district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(b) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(c) The district may not transfer or dispose of the district's assets except for due compensation unless:

1. the transfer is made to another governmental entity that serves the district; and
2. the transferred assets are to be used for the benefit of the district's residents.

(d) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

1. determine the debt owed by the district; and
2. impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1088.308. REPORT; DISSOLUTION ORDER. (a) After the
district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Reagan County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Reagan County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1089. Reeves County Hospital District
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1089.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Reeves County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.002. AUTHORITY FOR OPERATION. The Reeves County Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1089.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Reeves County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. This state may not become obligated for the support or maintenance of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1089.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors.

(b) One director is elected from each commissioners precinct and one director is elected from the district at large.

(c) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and

(2) an election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.052. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the
Sec. 1089.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:
(1) a resident of the district; and
(2) a qualified voter.
(b) A person who is elected from a commissioners precinct or who is appointed to fill a vacancy for a commissioners precinct must be a resident of that commissioners precinct.
(c) A district employee may not serve as a director.

Sec. 1089.054. BOND; RECORD OF BOND. (a) Before assuming the duties of office, each director must execute a bond for $5,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.
(b) The board may pay for a director's bond with district money.
(c) The bond shall be kept in the permanent records of the district.

Sec. 1089.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1089.056. OFFICERS. (a) The board shall elect a president and a vice president from among its members.
   (b) The board shall appoint a secretary, who need not be a director.
   (c) Each officer of the board serves for a term of one year.
   (d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
   (1) reported in the district's records; and
   (2) approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.
   (b) The district administrator serves at the will of the board and is entitled to the compensation determined by the board.
   (c) Before assuming the duties of district administrator, the administrator must execute a bond in the amount determined by the board of not less than $5,000 that is:
      (1) payable to the district; and
      (2) conditioned on the faithful performance of the administrator's duties under this chapter.
The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
  (1) supervise the work and activities of the district; and
  (2) direct the general affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:
  (1) the assistant district administrator; and
  (2) the attorney for the district.
  
  (b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.062. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.
  
  (b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.
  
  (c) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1089.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:
(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1089.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:
(1) operating hospital facilities; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.102. RESTRICTION ON COUNTY TAXATION AND DEBT. Reeves County may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of the district staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method of making purchases and expenditures by and for the district; and

(2) accounting and control procedures for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.

(b) The board may:

(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and

(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease hospital facilities for the district.

(d) The board may sell or otherwise dispose of the property, including facilities or equipment, for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1089.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the property interest is necessary for the district to exercise a right or authority conferred by this chapter.

(b) The district may exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose
and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.111. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves an expenditure of more than the amount prescribed by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) The district administrator may have an inquiry made into the financial circumstances of:
(1) a person who resides in the district and is admitted as a patient to a district facility; and

(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect the money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall:

(1) call witnesses;

(2) hear and resolve the question; and

(3) issue a final order.

(f) The final order of the board may be appealed to a district court in Reeves County. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.115. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health
and Safety Code.

(b) The board shall require the sheriff of Reeves County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Reeves County and is not a district resident.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1089.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand in each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1089.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.
(c) Any district resident is entitled to be present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.
(e) The budget is effective only after adoption by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.153. AMENDMENT OF BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.
(b) The fiscal year may not be changed:
(1) during a period that revenue bonds of the district are outstanding; or
(2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1089.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and
(2) an account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1089.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and must remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district
money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1089.111, 1089.201, 1089.204, and 1089.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and the immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1089.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1089.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit
approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election.

(c) The order calling the election must specify:
(1) the nature and date of the election;
(2) the hours during which the polls will be open;
(3) the location of the polling places;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;
(2) acquire sites to be used for hospital purposes; or
(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.
Sec. 1089.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund an outstanding indebtedness issued or assumed by the district.

(b) Refunding bonds may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.207. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) any transaction relating to the bonds; and

(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1089.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1089.253. CONTRACT FOR TAX ASSESSMENT AND COLLECTION. The board shall contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Refugio County Memorial Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.002. AUTHORITY FOR OPERATION. The Refugio County Memorial Hospital District operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Refugio County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1090.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 1090.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large by place.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.052. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Refugio County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) a resident of the district;
(2) a qualified voter; and
(3) a freeholder.

(b) A person is not eligible to serve as a director if the
person is:
(1) the district administrator; or
(2) a district employee.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.054. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.055. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.057. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.
Sec. 1090.058. INSURANCE FOR DIRECTORS AND OFFICERS. Directors
and officers may be included in the same insurance plan provided to
district employees.

Sec. 1090.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board shall appoint a qualified person as district
administrator.
(b) The board may appoint an assistant administrator.
(c) The district administrator and any assistant administrator
serve at the will of the board and are entitled to the compensation
determined by the board.
(d) On assuming the duties of district administrator, the
administrator shall execute a bond payable to the district in an
amount set by the board of not less than $5,000 that:
   (1) is conditioned on the administrator performing the
       administrator's duties; and
   (2) contains other conditions the board may require.

Sec. 1090.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to the limitations prescribed by the board, the district
administrator shall:
   (1) supervise the work and activities of the district; and
   (2) direct the affairs of the district.

Sec. 1090.061. APPOINTMENT AND RECRUITMENT OF STAFF AND
EMPLOYEES.  (a) The board may appoint to the medical staff any physicians the board considers necessary and may make temporary appointments as warranted.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

(d) The board may spend district money to recruit to the hospital staff any physicians that are required to meet the medical needs of district residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.062.  HEALTH EDUCATION.  The board may use district money to provide scholarships and student loans for the education of county residents in health care-related fields.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.063.  RETIREMENT BENEFITS.  The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:

(A) the Texas County and District Retirement System; or
(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C.  POWERS AND DUTIES

Sec. 1090.101.  DISTRICT RESPONSIBILITY.  The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.
Sec. 1090.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. Refugio County or any municipality or nonprofit hospital in the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment and administration for hospital purposes of a hospital system by:

(1) purchasing, constructing, acquiring by gift or otherwise, repairing, or renovating buildings and equipment; and

(2) equipping the buildings.

(b) The hospital system may include:

(1) facilities for domiciliary care and treatment of the sick, injured, or geriatric;

(2) outpatient clinics;

(3) dispensaries;

(4) convalescent home facilities;

(5) necessary nurses;

(6) domiciliaries and training centers;

(7) blood banks;

(8) community mental health centers;

(9) research centers or laboratories; and

(10) any other facilities the board considers necessary for hospital care.
Sec. 1090.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.
(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.
(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.
(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1090.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, electric transmission, telegraph or telephone line, conduit, pole, or facility, or pipeline, the board must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations,
or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.111. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than $10,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries to reimburse the district for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for reimbursement for the treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the medical, hospital, or
Sec. 1090.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.116. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.
Sec. 1090.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

1. the outstanding obligations of the district;
2. the cash on hand in each district fund;
3. the money received by the district from all sources during the previous year;
4. the money available to the district from all sources during the ensuing year;
5. the balances expected at the end of the year in which the budget is being prepared;
6. the estimated revenue and balances available to cover the proposed budget; and
7. the estimated tax rate required.

Sec. 1090.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.
Sec. 1090.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.156. AUDIT. The board shall have an audit made of the district's financial condition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1090.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.159. DEPOSITORY. (a) The board shall select one or more financial institutions to serve as a depository for district money.

(b) District money, other than money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.160. SPENDING RESTRICTIONS. Except as otherwise provided by Section 1090.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1090.161. AUTHORITY TO BORROW MONEY; SECURITY.  (a) The board may borrow money at a rate of not more than 10 percent a year on district notes to pay the obligations if the board declares that money is not available to meet authorized district obligations, which creates an emergency.

(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the district's bonded indebtedness;
   (2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or
   (3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) Money obtained from a loan under this section may be spent only for:
   (1) a purpose for which the board declared an emergency; and
   (2) the purposes for which the taxes were imposed or the bonds were authorized, if district taxes or bonds are pledged to pay the loan.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1090.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:
   (1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
   (2) equipping buildings or improvements for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1090.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1090.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

1. the date of the election;
2. the location of the polling places;
3. the presiding and alternate election judges for each polling place;
4. the amount of the bonds to be authorized; and
5. the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the
district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.208. BONDS EXEMPT FROM TAXATION. The following are
exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; or
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1090.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to pay:
(1) indebtedness issued by the district; and
(2) the maintenance and operating expenses of the district.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1090.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1090.254.

(b) The tax assessor-collector of Refugio County shall assess and collect taxes imposed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1090.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:
   (1) reside in the district; and
   (2) own real property subject to district taxation.

(c) The board shall set for the district tax assessor-collector:
   (1) the term of employment; and
   (2) compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 1090.301. DISSOLUTION; ELECTION. (a) The district may be dissolved as provided by this subchapter.

(b) The district may be dissolved and the district's assets or facilities may be acquired by Refugio County only on approval of a majority of district voters who vote on the question of the district's dissolution and transfer of assets and facilities at an election.

(c) The board shall order the election if the board receives a petition calling for submission of the question that is signed by at least 15 percent of the district's registered voters. Each voter signing the petition must write next to the voter's name the date of the voter's signature.

(d) The petition must be filed within 45 days of the earliest date on which a voter signed the petition.

(e) The board shall order the question of the district's dissolution submitted at the first directors' election held after the date the board receives a petition under Subsection (d) that occurs after the time required by Section 3.005, Election Code.
Sec. 1090.302. NOTICE OF ELECTION ON DISSOLUTION. Notice of a directors' election at which the question of the district's dissolution will be submitted to the voters must include notice that the question of dissolution and the transfer of hospital facilities to and the assumption of debts and bond obligations by Refugio County will be submitted at the election.

Sec. 1090.303. BALLOT. Beneath the names of the candidates for director of the district, the ballot for an election under this subchapter must provide for voting for or against the following proposition: "The dissolution of the Refugio County Memorial Hospital District and the transfer of the existing hospital facilities to and the assumption of the debts and bond obligations by Refugio County."

Sec. 1090.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the proposition was approved and shall declare the district dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall find that the proposition was not approved and shall declare that the district will continue to operate. Another election on the question of dissolution may not be held within 48 months after the anniversary of the date of any preceding election held for the same purpose.
Sec. 1090.305. TRANSFER OF ASSETS AND LIABILITIES. If the proposition for the dissolution of the district and the transfer of the existing hospital facilities to and the assumption of the debts and bond obligations by Refugio County is approved as provided by this subchapter:

(1) the land, buildings, improvements, and equipment that are part of the hospital or hospital system owned by the district shall be transferred to Refugio County;
(2) any debts and bond obligations of the district shall be assumed by Refugio County; and
(3) the Refugio County Commissioners Court shall provide for:
   (A) establishing and administering a hospital system by purchasing, constructing, acquiring by gift or otherwise, repairing, or renovating buildings and equipment; and
   (B) equipping the hospital system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1091. RICE HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1091.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Rice Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.002. AUTHORITY FOR OPERATION. The Rice Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.003. ESSENTIAL PUBLIC FUNCTION. The district is a
public entity performing an essential public function.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Rice Consolidated Independent School District of Colorado County, Texas, as those boundaries existed on May 26, 1989.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.005. DISTRICT SUPPORT OR MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1091.051. BOARD ELECTION; TERM. (a) The district is governed by a board of nine directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and

(2) an election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.
Sec. 1091.052. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district.

Sec. 1091.053. BALLOT PETITION. A person seeking to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 10 registered voters of the district as determined by the most recent official list of registered voters; and

(2) filed not later than the 31st day before the date of the election.

Sec. 1091.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

(1) a resident of the district; and

(2) a qualified voter.

(b) A district employee may not serve as a director.

Sec. 1091.055. BOND; RECORD OF BOND. (a) Before assuming the duties of office, each director must execute a bond for $5,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) The board may pay for directors' bonds with district money.
(c) Each director's bond shall be kept in the district's permanent records.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.057. OFFICERS. (a) The board shall elect a president and a vice president from among its members.
(b) The board shall appoint a secretary, who need not be a director.
(c) Each officer of the board serves for a term of one year.
(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.058. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1091.059. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.
   (b) The district administrator serves at the will of the board and is entitled to compensation as determined by the board.
   (c) Before assuming the duties of district administrator, the administrator must execute a bond in an amount determined by the board of not less than $5,000 that is:
      (1) payable to the district; and
      (2) conditioned on the faithful performance of the administrator's duties under this chapter.
   (d) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
   (1) supervise the work and activities of the district; and
   (2) direct the general affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:
   (1) the assistant district administrator; and
   (2) the attorney for the district.
   (b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to compensation as determined by the board.
Sec. 1091.063. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may:
(1) appoint to the staff any doctors whose appointment the board considers necessary for the efficient operation of the district;
(2) make temporary appointments as the board considers necessary; and
(3) after due process remove from the medical staff any doctor whose removal the board considers necessary for the efficient operation of the district.
(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.
(c) The board may delegate to the district administrator the authority to employ persons for the district.
(d) Except as prohibited by applicable law, the board may spend money to recruit physicians, nurses, and other personnel.

Sec. 1091.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:
(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 1091.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:
(1) operating hospital facilities; and
(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.103. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.105. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.
(b) The board may:
(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and

(2) mortgage or pledge the property as security for payment of the purchase price.

(c) The board may lease hospital facilities for the district.

(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.106. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.107. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing
the grade, or altering the construction to provide comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.109. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.110. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract for the district relating to a hospital facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.111. CONTRACTS FOR SERVICES. (a) The board may contract with a public or private hospital, a political subdivision of this state, or a state or federal agency for the district to provide a mobile emergency medical service or other health care
services needed to provide for the investigatory or welfare needs of
district inhabitants.

(b) The board may contract with any person to receive or supply
the services the board considers necessary for the effective
operation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1091.112. PROVISION OF CERTAIN HEALTH SERVICES. The
district may:

(1) operate or provide for the operation of a mobile
emergency medical service; and

(2) operate or provide for home health services, long-term
care, skilled nursing care, intermediate nursing care, hospice care,
or any other reasonable or appropriate medical care or medical
services.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1091.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) If an
individual who resides in the district is admitted as a patient to a
district facility, the district administrator may have an inquiry
made into the financial circumstances of:

(1) the patient; and

(2) a relative of the patient who is legally responsible
for the patient's support.

(b) To the extent that the patient or a relative of the patient
who is legally responsible for the patient's support cannot pay for
care and treatment provided by the district, the district shall
supply the care and treatment without charging the patient or the
patient's relative.

(c) On determining that the patient or a relative legally
responsible for the patient's support can pay for all or part of the
care and treatment provided by the district, the district
administrator shall report that determination to the board, and the
board shall issue an order directing the patient or the relative to
pay the district a specified amount each week. The amount must be
based on the individual's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:

1. call witnesses;
2. hear and resolve the question; and
3. issue a final order.

(f) A final order of the board may be appealed only to a district court in Colorado County. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.114. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital, as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Colorado County or the police chief of the City of Eagle Lake, as applicable, to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Colorado County or the City of Eagle Lake and is not a district resident.

(c) The board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.115. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.
Sec. 1091.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

1. the outstanding obligations of the district;
2. the amount of cash on hand to the credit of each district fund;
3. the amount of money received by the district from all sources during the previous year;
4. the amount of money available to the district from all sources during the ensuing year;
5. the amount of the balances expected at the end of the year in which the budget is being prepared;
6. the estimated amount of revenue and balances available to cover the proposed budget; and
7. the estimated tax rate to be required.

Sec. 1091.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Not later than the 10th day before the date of the hearing the board shall publish notice of the hearing in a newspaper of general circulation in the district.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.
Sec. 1091.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.154. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.155. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.157. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and

(2) an account of the disbursements of that money.
Sec. 1091.158. SHORT-TERM FINANCING. The district may borrow money through short-term financing.

Sec. 1091.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1091.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and must remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Sec. 1091.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1091.109, 1091.201, 1091.204, and 1091.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current fiscal year and the immediately following fiscal year of the district.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.
Sec. 1091.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip buildings or improvements for hospital purposes; or
(3) acquire and operate a mobile emergency medical service.

Sec. 1091.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1091.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Sec. 1091.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election. The order calling the election must specify:

(1) the nature and date of the election;
(2) the hours during which the polls will be open;
(3) the location of the polling places;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.
(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.
(d) The board shall declare the results of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.204. REVENUE BONDS. (a) The board may issue revenue bonds to:
(1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes;
(2) acquire sites to be used for hospital purposes; or
(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.
(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.
(b) Refunding bonds may be:
(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1091.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.
(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1091.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.
(b) The tax may be used to pay:
(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1091.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 1091.301. DISSOLUTION; ELECTION. (a) The district may be dissolved and the district's assets and liabilities sold or transferred to another person only on approval of a majority of the district voters voting in an election held for that purpose.

(b) A majority of the directors of the district may order an election on the question of dissolution of the district and the transfer of the district's assets and liabilities.

(c) The board shall order an election under this section if the board receives a petition requesting an election that is signed by at least 300 registered district voters according to the most recent official list of registered voters. The board shall call the election not later than the 60th day after the date the petition is presented to the district.

(d) An order calling an election under this section must state:

(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.
(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear at least 35 days before the date set for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Rice Hospital District and the sale or transfer of its assets and liabilities in the following manner: ____________ (insert provisions for transfer)."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1091.304. ELECTION RESULTS. (a) If the board finds that the election results favor the proposition to dissolve the district, the board shall:

(1) issue an order declaring the district dissolved; and
(2) proceed with the sale or transfer of the district's assets and liabilities according to the plan proposed on the ballot.

(b) If the board finds that the election results do not favor the proposition to dissolve the district, another dissolution election may not be held before the first anniversary of the date of the election in which the voters disapproved the proposition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1091.305. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) Notwithstanding any other provision of this subchapter, the district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of the district's assets or liabilities may not:

(1) contravene a trust indenture or bond resolution relating to the district's outstanding bonds; or

(2) diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district citizens, including the citizens' collective property rights in the district's assets.

(d) The district may transfer or sell the district's assets only for due compensation, unless the transfer is made to another governmental agency embracing the district and using the transferred assets for the benefit of the citizens formerly in the district.

(e) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1092. SABINE COUNTY HOSPITAL DISTRICT OF SABINE COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1092.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Sabine County Hospital District of Sabine County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.002. AUTHORITY FOR CREATION. The Sabine County
Hospital District of Sabine County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.003. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Sabine County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1092.051. BOARD ELECTION; TERM. (a) The board consists of five directors.

(b) One director is elected from each county commissioners precinct and one director is elected from the district at large.

(c) Unless four-year terms are established under Section 285.081, Health and Safety Code:

1. directors serve staggered two-year terms;

2. a directors' election shall be held each year to elect the appropriate number of directors; and
the terms of directors elected from county commissioners precincts one and three expire in even-numbered years and the terms of directors elected from county commissioners precincts two and four and from the district at large expire in odd-numbered years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.052. QUALIFICATIONS FOR OFFICE. To qualify for election to the board, a person must:
(1) be at least 21 years of age;
(2) have been a resident of the district for at least two years;
(3) have been a resident of the county commissioners precinct for at least six months if the person seeks to represent a county commissioners precinct position; and
(4) be a qualified voter of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall qualify for office by executing a good and sufficient commercial bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.
(b) The district shall pay for a director's bond.
(c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository for safekeeping.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.054. BOARD VACANCY. If a vacancy occurs in the office of director, a majority of the directors shall appoint a
director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.055. OFFICERS. The board shall elect from among its members a president, a secretary, and a treasurer at the first board meeting held after a directors' election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.056. COMPENSATION; EXPENSES. A director serves without compensation but is entitled to reimbursement for necessary expenses incurred in the performance of official duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.057. DISTRICT ADMINISTRATOR. (a) The board may employ a district administrator to manage the operations of the hospital system.

(b) The district administrator may employ necessary personnel to perform the services provided by the hospital system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.058. EMPLOYEES. The board may employ an attorney, a general manager, a bookkeeper, an architect, and other employees necessary for the efficient operation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.059. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. The
board shall:

(1) maintain all district records, including books, accounts, notices, minutes, and other matters of the district and its operations, at the district office; and

(2) make those records available for public inspection at reasonable times.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1092.101. DISTRICT RESPONSIBILITY. The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations to provide hospital service or medical care in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.103. MANAGEMENT AND CONTROL OF DISTRICT. The board has full power to manage and control the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.104. HOSPITAL SYSTEM. The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.
Sec. 1092.105. RULES. (a) The board shall adopt rules for the efficient operation of the district, including district facilities. (b) The board shall: 
(1) publish the rules in book form; and 
(2) provide copies to interested persons on request at district expense.

Sec. 1092.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

Sec. 1092.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in real, personal, or mixed property located in district territory if the interest is necessary or convenient for the district to exercise a power or duty conferred on the district by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding, the district is not required to:
(1) pay in advance or provide a bond or other security for costs in the trial court; or
(2) provide a bond for costs or a supersedeas bond on an appeal or petition for review.
Sec. 1092.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.109. CONTRACTS FOR HOSPITAL AND MEDICAL CARE. The board may contract with another political subdivision to provide hospital and medical care for needy persons who reside outside the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A person who resides in the district is entitled to receive necessary medical and hospital care regardless of whether the person has the ability to pay for the care and may apply to receive this care without cost.

(b) The board or the district administrator shall employ a person to investigate the ability of the patient and any relative who is liable for the patient's support to pay for the medical and hospital care received by the patient.

(c) If the investigator determines that the patient or relative legally liable for the patient's support cannot pay all or part of the costs of the patient's care, the expense of the care becomes a charge against the district.

(d) If the patient or a relative legally liable for the patient's support can pay for all or part of the costs of the patient's care, the board shall order the patient or relative to pay the treasurer each week an amount specified in the order, which must be proportionate to the person's ability to pay.

(e) The district may collect the amount from the patient's estate, or from any relative who is liable for the patient's support,
in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the investigator, the board shall hold a hearing and, after calling witnesses, shall:

(1) determine the question; and
(2) make the proper order based on the board's findings.

(g) A party to the hearing who is not satisfied with the result of the order may appeal to the district court. The appeal is de novo.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1092.151. BUDGET. The board shall prepare a budget that includes:

(1) proposed expenditures and disbursements;
(2) estimated receipts and collections for the next fiscal year; and
(3) the amount of taxes required to be imposed to meet the proposed budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 11th day before the date of the hearing.

(c) Any person who owns taxable property in the district and has duly rendered that property for taxation is entitled to:

(1) appear at the hearing; and
(2) be heard regarding any item in the proposed budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1092.153. FISCAL YEAR. The district's fiscal year is from January 1 to December 31.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.154. ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.

(b) Not later than December 1 of each year, the board shall file a copy of the audit with:

(1) the comptroller; and

(2) the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.155. DEPOSITORY. (a) The board by resolution shall designate a bank in Sabine County as the district's depository. A designated bank serves for two years and until a successor is designated.

(b) All district money shall be deposited in the depository and secured in the manner provided for securing county funds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1092.201. BONDS. The district may issue bonds to:

(1) purchase, construct, acquire, repair, or renovate buildings and improvements; and

(2) equip buildings for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.202. TAX TO PAY BONDS. The board may issue bonds under Section 1092.201 only if the board imposes an ad valorem tax at
a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.203. BOND ELECTION. (a) The board may issue bonds under Section 1092.201 only if the bonds are authorized by a majority of qualified voters voting in an election held for that purpose. The total face value of the bonds may not exceed the amount specified in the election order.

(b) The board may order a bond election at any time.
(c) The order calling the election must include:
(1) the time of the election;
(2) the location of the polling places;
(3) the form of the ballots;
(4) the presiding judge for each polling place;
(5) the purpose of the bond issuance;
(6) the amount of the bonds to be authorized;
(7) the maximum interest rate of the bonds; and
(8) the maximum maturity date of the bonds.
(d) A substantial copy of the election order shall be published in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first notice must be published not later than the 15th day before the date of the election.
(e) A copy of the election results must be filed with the county clerk and become a public record.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.204. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1092.205. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.
  (b) The board secretary shall countersign the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1092.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.
  (b) The tax may be used only to:
      (1) pay the interest on and create a sinking fund for bonds issued under this chapter;
      (2) provide for the operation and maintenance of the district and hospital system;
      (3) make improvements and additions to the hospital system; or
      (4) acquire sites for additions to the hospital system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1092.253. TAX ASSESSOR-COLLECTOR. The Sabine County tax assessor-collector shall collect taxes for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1093. SAN AUGUSTINE CITY-COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS
Sec. 1093.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the San Augustine City-County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.002. AUTHORITY FOR OPERATION. The San Augustine City-County Hospital District operates in accordance with and has the rights, powers, and duties provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of San Augustine County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1093.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1093.051. BOARD APPOINTMENT; TERM. (a) The board consists of seven directors appointed as follows:

(1) three directors appointed by the governing body of the City of San Augustine;

(2) three directors appointed by the Commissioners Court of San Augustine County; and

(3) one director jointly appointed by the City of San Augustine and the Commissioners Court of San Augustine County.

(b) Directors serve staggered two-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.052. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed as a director unless the person is:

(1) a resident of the district;

(2) a freeholder; and

(3) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:
(1) the district administrator;
(2) a district employee; or
(3) a member of the hospital staff.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.053. BOND. (a) Each director shall execute a good and sufficient bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) The district shall pay for the directors' bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.054. BOARD VACANCY. If a director resigns or dies, the body that appointed the resigning or deceased director shall fill the vacancy for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.055. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.

(b) Each officer of the board serves for a term of one year.

(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses
incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.057. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board may appoint a qualified person as a district administrator.
(b) The board may appoint one or more assistant administrators.
(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and
(2) contains other conditions the board may require.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1093.060.  APPOINTMENT AND DISMISSAL OF STAFF AND
EMPLOYEES. (a) The board may appoint to or dismiss from the staff
any doctors the board considers necessary for the efficient operation
of the district and may make temporary appointments as warranted.
(b) The district may employ fiscal agents, accountants,
architects, and attorneys the board considers proper.
(c) The board may delegate to the district administrator the
authority to hire district employees, including technicians and
nurses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1093.061.  SENIORITY; RETIREMENT BENEFITS. The board may:
(1) adopt rules related to the seniority of district
employees, including rules for a retirement plan based on seniority;
and
(2) give effect to previous years of service for district
employees continuously employed in the operation or management of
hospital facilities:
(A) constructed by the district; or
(B) acquired by the district, including facilities
acquired when the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

SUBCHAPTER C.  POWERS AND DUTIES

Sec. 1093.101.  DISTRICT RESPONSIBILITY. The district has full
responsibility for:
(1) providing medical and hospital care for the district's
needy residents; and
(2) operating all hospital facilities for providing medical
and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1093.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district or that has the same boundaries as the district may not impose a tax on district residents or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:
   (1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
   (2) equipping the buildings; and
   (3) administering the buildings and equipment for hospital purposes.
   (b) The hospital system may include:
      (1) facilities for domiciliary care of the sick, injured, or geriatric;
      (2) facilities for outpatient clinics;
      (3) dispensaries;
      (4) convalescent home facilities;
      (5) necessary nurses' domiciliaries and training centers;
      (6) blood banks;
      (7) community mental health centers;
      (8) research centers or laboratories; and
      (9) any other facilities the board considers necessary for hospital care.
Sec. 1093.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings or other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1093.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.110. CONSTRUCTION OR PURCHASE CONTRACTS. A construction or purchase contract that involves the expenditure of more than $2,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.
Sec. 1093.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Sec. 1093.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the hospitalization of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the hospital treatment of a sick or injured person.

Sec. 1093.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the hospital or welfare needs of district inhabitants.

Sec. 1093.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.
(b) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each day or week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(c) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.115. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.

(b) The district is entitled to all causes of action and defenses to which similar authorities are entitled.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1093.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget;
(7) the estimated tax rate required; and
(8) the proposed expenditures and disbursements and the
estimated receipts and collections for the following fiscal year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

(c) Any property taxpayer of the district is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.155. FISCAL YEAR. The district operates according to a fiscal year that begins on July 1 and ends on June 30.
Sec. 1093.156. AUDIT. (a) The district shall have an independent audit made of the district's financial condition for the fiscal year.

(b) As soon as the audit is completed, the audit shall be filed at the district's office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1093.160, and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit
or to purchase certificates of deposit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1093.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1093.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
(2) the equipment of buildings and improvements for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1093.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.
Sec. 1093.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election shall provide for clerks as in county elections and must specify:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the presiding and alternate election judges for each polling place;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum interest rate of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Sec. 1093.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Sec. 1093.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.
Sec. 1093.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the indebtedness to be refunded; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; or
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
SUBCHAPTER F. TAXES

Sec. 1093.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds or other obligations issued or assumed by the district for hospital purposes;
(2) provide for the operation and maintenance of the district and hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1093.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board by majority vote elects to have taxes assessed and collected under Section 1093.254.

(b) The tax assessor-collector of San Augustine County shall assess and collect taxes imposed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1093.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:
(1) reside in the district; and
(2) own real property subject to district taxation.

(c) The board shall set for the district tax assessor-collector:
(1) the term of employment; and
(2) compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1094. SEMINOLE HOSPITAL DISTRICT OF GAINES COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1094.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Seminole Hospital District of Gaines County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.002. AUTHORITY FOR CREATION. The Seminole Hospital District of Gaines County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.
Sec. 1094.004. DISTRICT TERRITORY. The district is composed of the territory in the boundaries of the Seminole Common Consolidated School District No. 1 located in Gaines County as those boundaries existed on April 29, 1971, unless the district's boundaries are expanded under Subchapter D.

Sec. 1094.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Sec. 1094.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Sec. 1094.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

SUBCHAPTER B. DISTRICT ADMINISTRATION
Sec. 1094.051. BOARD ELECTION; TERM. (a) The board consists of
four directors elected from single-member districts and three directors elected from the district at large.

(b) Directors serve staggered three-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 3, eff. January 1, 2014.

Sec. 1094.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in accordance with Section 4.003, Election Code, in a newspaper of general circulation in Gaines County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 4, eff. June 14, 2013.

Sec. 1094.053. BALLOT APPLICATION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary an application in accordance with Chapter 144, Election Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 5, eff. June 14, 2013.

Sec. 1094.054. QUALIFICATIONS FOR OFFICE. A person may not be elected or appointed as a director unless the person:

1. is a resident of the district;
2. owns property in the district subject to taxation; and
3. is more than 18 years of age at the time of the election or appointment.
Sec. 1094.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than five for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Sec. 1094.056. OFFICERS. The board shall elect:

(1) a president and a vice president from among its members; and

(2) a secretary, who need not be a director. (Acts 62nd Leg., R.S., Ch. 102, Sec. 5(d) (part).)

Sec. 1094.057. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Sec. 1094.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The board may appoint one or more assistant administrators.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation
determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.060. APPOINTMENT AND DISMISSAL OF STAFF AND EMPLOYEES. (a) The board may appoint to or dismiss from the staff any doctors as the board considers necessary for the efficient operation of the district and may make temporary appointments as warranted.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.061. SENIORITY; RETIREMENT BENEFITS. The board may:

(1) adopt rules related to the seniority of district employees, including rules for a retirement plan based on seniority; and
(2) give effect to previous years of service for district employees continuously employed in the operation or management of hospital facilities:
   (A) constructed by the district; or
   (B) acquired by the district, including facilities acquired when the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1094.101. DISTRICT RESPONSIBILITY. (a) The district has full responsibility for providing hospital care for the district's indigent residents.
   (b) The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.103. OVERSIGHT AND CONTROL. The board shall oversee and control the hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 6, eff. June 14, 2013.
Sec. 1094.104. HOSPITAL SYSTEM. (a) The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

(b) The district shall provide for:
   (1) the establishment of a hospital system by:
       (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
       (B) equipping the buildings; and
   (2) the administration of the hospital system for hospital and medical care purposes.

(c) The hospital system may include:
   (1) facilities for domiciliary care of the sick, injured, or geriatric;
   (2) facilities for outpatient clinics;
   (3) dispensaries;
   (4) convalescent home facilities;
   (5) necessary nurses domiciliaries and training centers;
   (6) blood banks;
   (7) community mental health centers;
   (8) research centers or laboratories; and
   (9) any other facilities the board considers necessary for medical and hospital care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
   (1) the method and manner of making purchases and expenditures by and for the district; and
   (2) all accounting and control procedures.
Sec. 1094.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.
(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.
(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.
(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Sec. 1094.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary for the district to exercise a power, right, or privilege conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.
(c) In a condemnation proceeding brought by the district, the district is not required to:
(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 7, eff. June 14, 2013.

Sec. 1094.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITALIZATION. (a) The board may contract with a county or
municipality located outside the district's boundaries for the hospitalization of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the hospital treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory and other services for the hospital or welfare needs of district inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.
(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate orders.

(f) The final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.115. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.
   (b) The district is entitled to all causes of action and defenses to which similar authorities are entitled.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1094.151. ELECTION ON EXPANSION OF BOUNDARIES. (a) On presentation of a petition for an election signed by at least 50 registered voters of Gaines County who do not reside within the district's boundaries, the board shall order an election on the questions of:
   (1) expanding the district's boundaries to include the entire county;
   (2) the assumption of a proportionate share of district debts; and
   (3) the imposition of taxes in the territory to be added to the district.
   (b) The board shall order the election not later than the 60th day after the date on which the petition is presented to the board.
   (c) The election in the district and the election in the territory to be added must be held on the same day.
   (d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.

Sec. 1094.152. BALLOT. The ballot for the election shall be printed to permit voting for or against the proposition: "Expanding the Seminole Hospital District to include all of Gaines County, the assumption by the additional territory of its proportionate share of the district's outstanding debts, and the levy of a tax not to exceed 75 cents on each $100 of valuation on all taxable property in the expanded area of the district."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.153. ELECTION RESULTS. The district may not be expanded unless the proposition under Section 1094.152 is approved by a majority of the voters at an election held in the district and by a majority of the voters at a separate election held in the territory to be added.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1094.201. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand in each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget;
(7) the estimated tax rate required; and
(8) the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

(c) Any resident of the district is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interest of the residents of the district and that the law warrants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 8, eff. June 14, 2013.

Sec. 1094.203. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.204. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1094.205. FISCAL YEAR. (a) The district operates according to a fiscal year that begins on October 1 and ends on September 30, or as established by the board.

(b) The fiscal year may not be changed if revenue bonds of the district are outstanding or more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 9, eff. June 14, 2013.

Sec. 1094.206. AUDIT. (a) The district shall have an independent audit made of the district's financial condition for the fiscal year.

(b) As soon as the audit is completed, the audit shall be filed at the district's office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.207. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.208. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1094.209. DEPOSITORY. (a) The board shall select one or more banks to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1094.210(b), and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 10, eff. June 14, 2013.

Sec. 1094.210. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1094.107(c) and Subchapter F, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. BONDS

Sec. 1094.251. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes.
Sec. 1094.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1094.251, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

Sec. 1094.253. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Sec. 1094.254. MATURITY OF GENERAL OBLIGATION BONDS. District
general obligation bonds must mature not later than the maximum maturity stated in the order calling the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 12, eff. June 14, 2013.

Sec. 1094.255. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district’s name.
   (b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.256. REVENUE BONDS. (a) The board may issue revenue bonds to:
   (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
   (2) acquire sites to be used for hospital purposes.
   (b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district’s hospitals.
   (c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
   (d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.257. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness
(b) A refunding bond may be:
(1) sold, with the proceeds of the refunding bond applied to the payment of the indebtedness to be refunded; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.258. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
(1) bonds issued or assumed by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.259. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1094.252 and revenue and other sources as authorized by Section 1094.256.

Added by Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 13, eff. June 14, 2013.

Sec. 1094.260. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:
(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
(3) costs related to the physical maintenance of a project
or facility to be provided through the bonds:

(A) during an estimated period of acquisition or construction, not to exceed five years; and
(B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
(5) costs related to the issuance of the bonds;
(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 14, eff. June 14, 2013.

**SUBCHAPTER G. TAXES**

Sec. 1094.301. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds or other obligations issued or assumed by the district for hospital purposes;
(2) provide for the operation and maintenance of the district and hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.302. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.
(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1094.303. ASSESSMENT AND COLLECTION OF TAXES. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 15, eff. June 14, 2013.

Sec. 1094.304. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:
(1) reside in the district; and
(2) own real property subject to district taxation.

(c) The board shall set for the district tax assessor-collector:
(1) the term of employment; and
(2) compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER H. DISSOLUTION

Sec. 1094.401. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.
(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.
(c) The order calling the election must state:
   (1) the nature of the election, including the proposition to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.

Added by Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 16, eff. June 14, 2013.

Sec. 1094.402. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.
   (b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 16, eff. June 14, 2013.

Sec. 1094.403. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Seminole Hospital District of Gaines County, Texas."

Added by Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 16, eff. June 14, 2013.

Sec. 1094.404. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.
   (b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election.
to dissolve the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 16, eff. June 14, 2013.

Sec. 1094.405. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Gaines County or another governmental entity in Gaines County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 16, eff. June 14, 2013.

Sec. 1094.406. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.
Sec. 1094.407. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Gaines County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Gaines County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. 2688), Sec. 16, eff. June 14, 2013.

CHAPTER 1095. SHACKELFORD COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1095.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Shackelford County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.002. AUTHORITY FOR OPERATION. The Shackelford County Hospital District operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1095.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Shackelford County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1095.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms; and

(2) a directors' election shall be held on the uniform election date in May of each year.
Sec. 1095.052. NOTICE OF ELECTION. At least 30 days before the date of an election of directors, notice of the election shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

Sec. 1095.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 10 voters; and
(2) filed at least 30 days before the date of the election.

Sec. 1095.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) a resident of the district; and
(2) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:

(1) the district administrator; or
(2) a district employee.

Sec. 1095.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.
Sec. 1095.056. OFFICERS. (a) The board shall elect:
   (1) a president and a vice president from among its members; and
   (2) a secretary, who need not be a director.
(b) Each officer of the board serves for a term of one year.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Sec. 1095.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
   (1) reported in the district's records; and
   (2) approved by the board.

Sec. 1095.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Sec. 1095.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.
   (b) The board may appoint an assistant administrator.
   (c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
   (1) is conditioned on the administrator performing the administrator's duties; and
   (2) contains other conditions the board may require.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
   (1) supervise the work and activities of the district; and
   (2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.061. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors as the board considers necessary for the efficient operation of the district and may make temporary appointments as warranted.
   (b) The district may employ fiscal agents, accountants, architects, and additional attorneys as the board considers proper.
   (c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1095.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1095.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.104. HOSPITAL SYSTEM. (a) The district shall provide for:

(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   (B) equipping the buildings; and

(2) the administration of the system for hospital purposes.

(b) The hospital system may include any facilities the board considers necessary for hospital care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1095.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures. (Acts 65th Leg., R.S., Ch. 140, Sec. 10(b) (part).)

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, electric transmission, telegraph or telephone line, conduit, pole, or facility, or pipeline, the board must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.111. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than $10,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.
Sec. 1095.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Sec. 1095.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Sec. 1095.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATOR OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the medical, hospital, or welfare needs of district inhabitants.

Sec. 1095.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.
(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator may collect the amount from the estate of the patient, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute; and
   (2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.116. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.117. ELECTION DATE. Notwithstanding Section 41.001(a), Election Code, the board may choose the date for an election held under this chapter other than a directors' election under Section 1095.051.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1095.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.
   (b) The proposed budget must contain a complete financial statement of:
       (1) the outstanding obligations of the district;
       (2) the cash on hand in each district fund;
       (3) the money received by the district from all sources during the previous year;
       (4) the money available to the district from all sources during the ensuing year;
       (5) the balances expected at the end of the year in which the budget is being prepared;
       (6) the estimated revenue and balances available to cover the proposed budget; and
       (7) the estimated tax rate required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
   (b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.
   (c) Any district resident is entitled to be present and participate at the hearing.
   (d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1095.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.
(b) The fiscal year may not be changed:
(1) during a period that district revenue bonds are outstanding; or
(2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:
(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.159. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1095.160(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1095.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
SUBCHAPTER E.  BONDS

Sec. 1095.201.  GENERAL OBLIGATION BONDS.  The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
(2) equipping buildings or improvements for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.202.  TAX TO PAY GENERAL OBLIGATION BONDS.  (a) At the time general obligation bonds are issued by the district under Section 1095.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.203.  GENERAL OBLIGATION BOND ELECTION.  (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1095.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.207. REFUNDING BONDS. (a) The board may, without an
election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1095.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the
income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1095.254.

(b) The tax assessor-collector of Shackelford County shall assess and collect taxes imposed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1095.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must reside in the district.

(c) The board shall set for the district tax assessor-collector:

(1) the term of employment; and
(2) compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1096. SOUTH LIMESTONE HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1096.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the South Limestone Hospital District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1096.002. AUTHORITY FOR CREATION. The South Limestone Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.003. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Groesbeck Independent School District as those boundaries existed on January 1, 1969.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.004. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction,
maintenance, or improvement of a district facility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1096.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected from the district at large.

(b) Each even-numbered year, on the May uniform election date or another date authorized by law, the appropriate number of directors shall be elected.

(c) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.052. QUALIFICATIONS FOR OFFICE. (a) To qualify for election to the board, a person must:

(1) be at least 18 years of age;
(2) have been a resident of the district for at least two years; and
(3) be a qualified property tax paying voter of the district.

(b) A person may not serve as a director if the person:

(1) is a district employee;
(2) was a district employee at any time during the two years preceding the date of the election; or
(3) receives compensation under a contract with the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.053. BOND; RECORD OF BOND AND OATH. (a) Each director shall qualify by executing a good and sufficient bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the
director's duties.
(b) The district shall pay for the directors' bonds.
(c) Each director's bond and constitutional oath of office
shall be deposited with the district's depository bank for
safekeeping.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1096.054. BOARD VACANCY. If a vacancy occurs in the
office of director, the remaining directors shall appoint a director
for the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1096.055. OFFICERS. (a) The board shall elect from among
its members a president, vice president, secretary, and treasurer.
(b) The board may combine the offices of secretary and
treasurer at the board's discretion.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1096.056. COMPENSATION; EXPENSES. A director is not
entitled to compensation but is entitled to reimbursement for any
necessary expense incurred in the performance of official duties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1096.057. DISTRICT ADMINISTRATOR. (a) The board may
employ a district administrator to manage the operations of the
hospital system.
(b) The district administrator may hire necessary personnel to
perform the services provided by the hospital system.
Sec. 1096.058.  EMPLOYEES.  The board may employ an attorney, a general manager, a bookkeeper, an architect, nurses, and other employees necessary for the efficient operation of the district.

Sec. 1096.059.  MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  Except as provided by Section 1096.053, the board shall:

(1)  maintain all district records, including books, accounts, notices, minutes, and other matters of the district and its operation, at the district office; and

(2)  make those records available for public inspection at reasonable times.

Sec. 1096.060.  RECRUITMENT OF MEDICAL STAFF.  The board may spend district money to recruit physicians, nurses, and other trained medical personnel.  The board may pay the tuition or other education-related costs or expenses of a person who:

(1)  graduates from a medical school, a nursing school, or an institution of higher education; and

(2)  contractually agrees to become a district employee.

Sec. 1096.061.  CONTINUING EDUCATION; RETRAINING.  The board may spend district money for the continuing education and retraining of district employees.
eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1096.101. DISTRICT RESPONSIBILITY. The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations to provide hospital service or medical care in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.103. MANAGEMENT AND CONTROL OF DISTRICT. The board has full power to manage and control the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.104. HOSPITAL SYSTEM. The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.105. RULES. (a) The board shall adopt rules for the efficient operation of the district, including district facilities.
  (b) The board shall:
    (1) publish the rules in book form; and
(2) provide copies to interested persons on request at district expense.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.107. EMINENT DOMAIN. (a) To carry out a power provided by this chapter, the district may exercise the power of eminent domain to acquire the fee simple title to land and other property and easements.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) In a condemnation proceeding, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;
(2) provide a bond for costs or a supersedeas bond on an appeal or petition for review; or
(3) deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(d) The district is a municipal corporation for the purposes of Chapter 21, Property Code.

(e) The board shall determine the amount and the type of interest in land, other property, or easements to be acquired.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.108. GIFTS AND ENDOWMENTS. The board may accept a gift or endowment to be held and administered as required by the respective donor, to the extent that those requirements do not
contravene law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.109. CONTRACTS WITH POLITICAL SUBDIVISION FOR HOSPITAL CARE. The board may contract with a political subdivision to provide hospital and medical care for needy persons who reside outside the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.110. PROVISION OF CERTAIN HEALTH SERVICES. The board may provide emergency services, home health care services, long-term health care services, or any other health care services the board determines are necessary to meet the needs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.111. OPERATION OF HOSPITAL; RATES CHARGED; RESERVE FUNDS. (a) The district shall operate a hospital without the intervention of private profit for the use and benefit of the public.

(b) The board shall charge sufficient rates for services provided by the hospital and use other sources of district revenue that will produce an amount sufficient to:

(1) pay all expenses in connection with the ownership, operation, and upkeep of the hospital;

(2) pay the interest on the bonds as it becomes due;

(3) create a sinking fund to pay the bonds as they become due; and

(4) create and maintain a bond reserve fund and other funds as provided in the bond resolution or trust indenture.

(c) The bond resolution or trust indenture may prescribe systems, methods, routines, and procedures needed for the operation of the hospital.
Sec. 1096.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) A person who resides in the district is entitled to receive necessary medical and hospital care regardless of whether the person has the ability to pay for the care and may apply to receive this care without cost.

(b) The board or the district administrator shall employ a person to investigate the ability of the patient and any relative liable for the patient's support to pay for the medical and hospital care received by the patient.

(c) If the investigator finds that neither the patient nor those relatives can pay for all or part of the patient's care, the expense of that care becomes a charge against the district.

(d) If the patient or those relatives can pay for all or part of the costs of the patient's care, the board shall order the patient or those relatives to pay to the district treasurer each week an amount specified in the order. The amount must be proportionate to the person's ability to pay.

(e) The district may collect the amount from the patient's estate, or from any relative liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the investigator, the board shall hold a hearing and, after calling witnesses, shall:

(1) determine the question; and

(2) make the proper order based on the board's findings.

(g) A party to the hearing who is not satisfied with the result of the order may appeal to the district court. The appeal is de novo.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1096.151. BUDGET. The board shall prepare a budget that
includes:

(1) proposed expenditures and disbursements;
(2) estimated receipts and collections for the next fiscal year; and
(3) the amount of taxes required to be imposed during the next fiscal year to meet the proposed budget.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.
(b) Notice of the hearing must be published in a newspaper of general circulation in the district at least once before the 10th day before the date of the hearing.
(c) Any person who owns taxable property in the district and has duly rendered that property for taxation is entitled to:
(1) appear at the hearing; and
(2) be heard regarding any item in the proposed budget.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.153. FISCAL YEAR. The district's fiscal year is from October 1 to September 30.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.154. ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.
(b) Not later than December 1 of each year, the board shall file a copy of the audit with:
(1) the comptroller; and
(2) the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1096.155. DEPOSITORY. (a) The board by resolution shall designate a bank in the county in which the district is located as the district's depository. A designated bank serves for two years and until a successor is designated.

(b) All district money shall be deposited in the depository and secured in the manner provided for securing county funds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board declares that:

(1) money is not available to meet authorized obligations of the district; and

(2) an emergency exists.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) The board may not spend money obtained from a loan under this section for any purpose other than:

(1) the purpose for which the board declared an emergency; and

(2) if district taxes or bonds are pledged to pay the loan, the purpose for which the pledged taxes were imposed or the pledged bonds were authorized.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1096.157. INVESTMENT OF DISTRICT MONEY. (a) The law applicable to municipalities with respect to security for and investment of money governs, as applicable, the investment of district money. The bond resolution or indenture may further restrict the investment.

(b) To the extent authorized in the bond resolution or indenture and until the money is needed, the district may invest the proceeds of district bonds in direct obligations of or obligations unconditionally guaranteed by the United States.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.158. TAX EXEMPTION. Because property owned by the district is held for public purposes only and is devoted exclusively to the use and benefit of the public, the property is exempt from taxation of every character.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER E. BONDS

Sec. 1096.201. REVENUE BONDS. (a) The district may issue revenue bonds to provide for any district purposes. The bonds must be authorized by a board resolution adopted by a majority vote of a quorum of the board.

(b) Revenue bonds must be payable from and secured by a pledge of all or part of the revenue derived from:

(1) the operation of the district's hospitals; and

(2) any other revenue resulting from the ownership of the hospital properties.

(c) Revenue bonds may be additionally secured by a mortgage or deed of trust lien on real property of the district or by a chattel mortgage on the district's personal property, or by both.

(d) The board may issue:

(1) bonds that are a junior lien on the district's net revenue or property, unless prohibited by the bond resolution or
trust indenture; and

(2) parity bonds under conditions specified in the bond resolution or trust indenture.

(e) A bond issued under this subchapter must contain the provision: "The holder hereof shall never have the right to demand payment thereof out of money raised or to be raised by taxation."

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.202. EXECUTION OF BONDS. District bonds must be signed by the president or vice president and countersigned by the secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.203. MATURITY OF BONDS. District bonds must mature not later than 40 years after their date of issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.204. REFUNDING BONDS. The board may issue bonds for the purpose of refunding outstanding bonds in the manner provided by this subchapter for other bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER F. TAXES

Sec. 1096.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax proceeds may be used only to:

(1) provide for the operation and maintenance of the district and hospital system;
(2) make improvements and additions to the hospital system; or
(3) acquire sites for additions to the hospital system.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.252. TAX RATE. The board shall impose the tax at a rate not to exceed 38 cents on each $100 valuation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.253. TAX ASSESSOR-COLLECTOR. The board may use any of the following to assess and collect district taxes:
(1) the tax assessor-collector for Limestone County;
(2) the tax assessor-collector for the Groesbeck Independent School District; or
(3) any tax assessor-collector established by the board for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

CHAPTER 1097. SOUTH WHEELER COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 1097.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the South Wheeler County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.002. AUTHORITY FOR CREATION. The South Wheeler County Hospital District is created under the authority of Section 9,
Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners Precincts 3 and 4 of Wheeler County, Texas, as those boundaries existed on January 1, 1963.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1097.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected as follows:

(1) two directors elected from County Commissioners Precinct 3 by the voters of that precinct;
(2) two directors elected from County Commissioners Precinct 4 by the voters of that precinct; and
(3) three directors elected from the district at large by the voters of the entire district.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.052. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Wheeler County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by not fewer than 10 registered voters; and
(2) filed at least 25 days before the date of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person:

(1) is a resident of the district;
(2) owns property in the district subject to taxation; and
(3) is more than 18 years of age at the time of election or appointment.
(b) A person may not be elected to represent a particular county commissioners precinct unless the person is a resident of that precinct.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.057. OFFICERS. The board shall elect from among its members a president, a vice president, and a secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1097.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board shall appoint a qualified person as district administrator.
(b) The board may appoint an assistant administrator.
(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $10,000 that:
   (1) is conditioned on the administrator performing the administrator's duties; and
   (2) contains other conditions the board may require.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.061. EMPLOYEES. The board may employ any doctors, technicians, nurses, and other employees as considered necessary for the efficient operation of the district or may provide that the district administrator has the authority to employ those persons.
Sec. 1097.062. RETIREMENT PROGRAM. The board may contract with this state or the federal government to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 1097.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care of indigent persons; and

(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes for medical treatment of indigent persons.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1097.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
(2) equipping the buildings; and
(3) administering the buildings and equipment for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1097.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the federal government is responsible.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.
(d) The district administrator may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate orders.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.111. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1097.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board. The budget must be for the fiscal year prescribed by Section 1097.152.

(b) Not later than August 31 of each year, the board shall publish notice of a public hearing on the proposed budget. The notice must be published in a newspaper of general circulation in the district at least 10 days before the date of the hearing.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.152. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1097.153. AUDIT. (a) The district shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.154. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.155. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) District money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to an appropriate bank to pay the principal of and interest on the district's outstanding bonds or other obligations on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being selected as a depository bank.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS
Sec. 1097.201. GENERAL OBLIGATION BONDS. (a) The board may
issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose related to the purchase, construction, acquisition, repair, or renovation of buildings or improvements, and equipping buildings or improvements for a hospital and the hospital system, as determined by the board.

(b) The board shall issue the bonds in compliance with the applicable provisions of Subtitles A and C, Title 9, Government Code.

Sec. 1097.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1097.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board shall call the election. The election must be held in accordance with Chapter 1251, Government Code.

(c) The bond election order must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding election officers;
(4) the amount of the bonds to be authorized;
(5) the maximum maturity of the bonds; and
(6) the maximum interest rate of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1097.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall attest the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund any bond or other refundable indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding bonds or other refundable indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of the outstanding bonds or other refundable indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.206. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer and issuance of the bonds; and

(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1097.251. IMPOSITION OF AD VALOREM TAX. (a) The district may impose a tax on all property in the district subject to district taxation.
(b) The tax may be used to meet the requirements of:
   (1) district bonds;
   (2) indebtedness assumed by the district; and
   (3) district maintenance and operating expenses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.252. TAX RATE. The district may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1097.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Wheeler County shall assess and collect taxes imposed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

CHAPTER 1098. STONEWALL COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1098.001. DEFINITIONS. In this chapter:
   (1) "Board" means the board of directors of the district.
   (2) "Director" means a member of the board.
   (3) "District" means the Stonewall County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.002. AUTHORITY FOR OPERATION. The Stonewall County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.
Sec. 1098.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Sec. 1098.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Stonewall County, Texas.

Sec. 1098.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Sec. 1098.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. This state may not become obligated for the support or maintenance of the district.

Sec. 1098.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.
SPECIAL DISTRICT LOCAL LAWS CODE

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1098.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors elected from the district at large by place.
(b) Directors serve staggered three-year terms.
(c) A directors' election shall be held annually on the May uniform election date prescribed by Section 41.001, Election Code, or another date authorized by law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.101(5), eff. September 1, 2013.

Sec. 1098.052. NOTICE OF ELECTION. Notice of a directors' election shall be published in a newspaper of general circulation in the district in accordance with Section 4.003, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:
(1) a resident of the district; and
(2) a qualified voter.
(b) A district employee may not serve as a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.054. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors by majority vote shall fill the vacancy for the unexpired term.
(b) If the number of directors is reduced to fewer than three
for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a qualified voter or taxpayer of the district, may order the directors to hold the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.055. OFFICERS. (a) The board shall elect:
(1) a president and vice president from among its members; and
(2) a secretary and treasurer who is not required to be a director.
(b) Each officer of the board serves a one-year term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.056. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of the director's official duties. The expenses must be:
(1) reported in the district's minutes; and
(2) approved by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.057. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district
administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to compensation as determined by the board.

(d) Before assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

   (1) is conditioned on the faithful performance of the administrator's duties under this chapter; and

   (2) contains any other condition the board requires.

(e) The board may pay for the bond with district money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.060. STAFF AND EMPLOYEES; RECRUITMENT OF PERSONNEL. (a) The district may:

(1) appoint physicians to the district's staff; and

(2) employ technicians, nurses, fiscal agents, accountants, architects, attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

(c) The board may spend district money to recruit physicians, nurses, and other trained medical personnel.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1098.061. EDUCATIONAL PROGRAMS; COURSES. The board may provide or contract for the provision of educational programs or courses for district employees and medical staff.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.062. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
(A) the Texas County and District Retirement System; or
(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.063. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. All district records, including books, accounts, notices, and minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district's office; and
(2) open to public inspection at the district's office at all reasonable hours.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.064. SEAL. The board may adopt a seal for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1098.101. DISTRICT RESPONSIBILITY. The district has full
responsibility for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.102. RESTRICTION ON TAXATION AND DEBT. Stonewall County or another governmental entity in which the district is located may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.103. MANAGEMENT AND CONTROL OF DISTRICT. The management and control of the district is vested in the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.104. HOSPITAL SYSTEM. The district shall provide for:

(1) the establishment of a hospital system to provide medical and hospital care for district residents by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements; and
   (B) equipping the buildings and improvements; and
(2) the administration of the hospital system for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.105. RULES. (a) The board may adopt rules governing the operation of the district and district facilities.
   (b) The rules may, on approval by the board, be published in booklet form at district expense and made available to any taxpayer
on request.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and

(2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.

(b) The board may:

(1) establish and equip a clinic as part of the hospital system;

(2) acquire property, including facilities and equipment, for the district for use in the hospital system; and

(3) mortgage or pledge the property as security for payment of the purchase price.

(c) The board may lease district hospital facilities to or from individuals, companies, corporations, or other legal entities.

(d) The board may sell or otherwise dispose of property, including facilities or equipment.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest
in any type of property, real, personal, or mixed, located in
district territory, if the interest is necessary or convenient to
exercise a right, power, privilege, or function conferred on the
district by this chapter.

(b) The district must exercise the power of eminent domain in
the manner provided by Chapter 21, Property Code, except the district
is not required to deposit in the trial court money or a bond as
provided by Section 21.021, Property Code.

(c) In a condemnation proceeding brought by the district, the
district is not required to:

(1) pay in advance or provide a bond or other security for
costs in the trial court;

(2) provide a bond for the issuance of a temporary
restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an
appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1098.109. GIFTS AND ENDOWMENTS. The board may accept for
the district a gift or endowment to be held in trust and administered
by the board for the purposes and under the directions, limitations,
or other provisions prescribed in writing by the donor that are not
inconsistent with the proper management and objectives of the
district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1098.110. BIDDING REQUIREMENTS. The district shall comply
with the bidding requirements prescribed by Chapter 271, Local
Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1098.111. OPERATING AND MANAGEMENT CONTRACTS. The board
may enter into an operating or management contract relating to a hospital facility. The term of the contract may not exceed 25 years.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.112. CONTRACTS FOR HEALTH CARE. The board may contract with any public or private entity, including the federal government, this state, a political subdivision, or a charitable organization, to provide health care or related services inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives are liable to pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to their financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) The board may institute a suit to collect an amount owed to the district by a patient who has not been determined to be unable to pay under this section.
(f) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue an appropriate order.

(g) Either party to the dispute may appeal the order to the district court.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.114. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in the district's own name in any court of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1098.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:
   (1) proposed expenditures and disbursements;
   (2) estimated receipts and collections; and
   (3) the amount of taxes required to be imposed for the year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the proposed budget.
   (b) Notice of the hearing must be published at least once in a newspaper of general circulation in Stonewall County not later than the 10th day before the date of the hearing.
   (c) Any district taxpayer is entitled to:
      (1) appear at the time and place designated in the notice; and
      (2) be heard regarding any item included in the proposed
(d) The annual budget must be approved by the board of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.153. AMENDMENTS TO BUDGET. The annual budget may be amended on the board's approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.154. SPENDING RESTRICTIONS. (a) Except as otherwise provided by this chapter, the district may not incur an obligation payable from district revenue other than revenue held by the district or to be held by the district in the current district fiscal year.

(b) Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) if revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's books and records for the fiscal year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1098.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of that money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.159. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate one or more banks to serve as the district's depository or treasurer.

(b) District money shall be deposited on receipt with a depository bank, except that sufficient money must be remitted to an appropriate bank to pay the principal of and interest on the district's outstanding bonds, or other obligations assumed by the district, on or before the maturity date of the principal and interest.

(c) Money in the depository bank or banks that is not insured by the Federal Deposit Insurance Corporation must be secured in the manner provided by law for security of county money.

(d) Membership on the district's board of an officer or director of a bank does not disqualify that bank from being designated as depository.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.160. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.
(a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the district's bonded indebtedness;
   (2) tax revenue to be collected by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or
   (3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the third anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
(1) the purpose for which the board determined the emergency existed; and
(2) if tax revenue or bonds are pledged to pay the loan, the purpose for which the taxes were imposed or the bonds were authorized.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1098.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:
(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip buildings or improvements for hospital purposes; or
(3) acquire and operate a mobile emergency medical or air ambulance service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.
(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are
authorized by a majority of the district voters voting at an election held for that purpose.
  
(b) The board may order a bond election.
  
(c) The election must be conducted in accordance with Chapter 1251, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.205. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

  (1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes;
  
  (2) acquire sites to be used for hospital purposes; or
  
  (3) acquire and operate a mobile emergency medical or air ambulance service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1098.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to:

(1) pay the indebtedness assumed or issued by the district;
(2) provide for the maintenance and operation of the district and hospital system;
(3) make improvements and additions to the hospital system;
and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued by the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.253. TAX ASSESSOR-COLLECTOR. (a) Except as provided by Subsection (b), the tax assessor-collector of Stonewall County shall assess and collect taxes imposed by the district.

(b) The board may provide for the appointment of a tax assessor-collector for the district or may contract for the
assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER G. DISSOLUTION

Sec. 1098.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by a number of district residents equal to at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1098.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Stonewall County Hospital District."

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to a county or to another governmental entity in Stonewall County;

(2) sell the assets and liabilities to another person; or

(3) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a)
The district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of the district's assets and liabilities may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(d) The district may not transfer or dispose of the district's assets except for due compensation unless:

(1) the transfer is made to another governmental agency that serves the district; and

(2) the transferred assets are to be used for the benefit of district residents.

(e) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.

(a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included on the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the board secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the board secretary to
transmit the money to the county tax assessor-collector.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Stonewall County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Stonewall County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1099. STRATFORD HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1099.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Stratford Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.002. AUTHORITY FOR OPERATION. The Stratford Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1099.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.004. DISTRICT TERRITORY. Unless the district's boundaries are expanded under Subchapter D, the district is composed of the territory in the boundaries of that part of the Stratford Independent School District located in Sherman County, as those school district boundaries existed on January 1, 1969.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with that constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1099.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms with the terms of two or three directors expiring each year as appropriate; and

(2) a directors' election shall be held annually on the May uniform election date, or another date authorized by law, to elect the appropriate number of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.101(6), eff. September 1, 2013.

Sec. 1099.052. NOTICE OF ELECTION. At least 30 days before the date of a directors' election, notice of the election must be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed or elected as a director unless the person is:

(1) a resident of the district;
(2) a freeholder; and
(3) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:

(1) the district manager;
(2) a district employee; or
(3) a member of the hospital staff.
Sec. 1099.054. BOND. (a) Each director shall execute a good and sufficient bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.
(b) The district shall pay for the directors' bonds.

Sec. 1099.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall fill the vacancy for the unexpired term.

Sec. 1099.056. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.
(b) Each officer of the board serves a one-year term.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Sec. 1099.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.
Sec. 1099.058. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.059. DISTRICT MANAGER; ASSISTANT MANAGER. (a) The board shall appoint a qualified person as district manager.

(b) The board may appoint one or more assistant managers.

(c) The manager and any assistant manager serve at the will of the board and receive the compensation determined by the board.

(d) On assuming the duties of district manager, the manager shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the manager performing the manager's required duties; and

(2) contains any other condition the board requires.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.060. GENERAL DUTIES OF DISTRICT MANAGER. Subject to the limitations prescribed by the board, the district manager shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.061. APPOINTMENT AND DISMISSAL OF STAFF AND EMPLOYEES. (a) The board may appoint to or dismiss from the staff any doctor the board considers necessary for the efficient operation of the district and may make temporary appointments to the staff if warranted.
(b) The district may employ fiscal agents, accountants, architects, and attorneys as the board considers proper.

(c) The board may delegate to the district manager the authority to employ district employees, including technicians and nurses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.062. SENIORITY; RETIREMENT BENEFITS. The board may adopt rules relating to the seniority of district employees, including rules for a retirement plan based on seniority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1099.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district or that has the same boundaries as the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.
Sec. 1099.104. HOSPITAL SYSTEM. (a) The district shall provide for:

(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   (B) equipping the buildings; and
(2) the administration of the hospital system for hospital purposes.
(b) The hospital system may include:
   (1) facilities for domiciliary care of the sick, injured, or geriatric;
   (2) facilities for outpatient clinics;
   (3) dispensaries;
   (4) convalescent home facilities;
   (5) necessary nurses domiciliaries and training centers;
   (6) blood banks;
   (7) community mental health centers;
   (8) research centers or laboratories; and
   (9) any other facilities the board considers necessary for hospital care.

Sec. 1099.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Sec. 1099.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary to a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary...
restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under any directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.110. CONSTRUCTION AND PURCHASE CONTRACTS. A construction or purchase contract that involves the expenditure of more than $15,000 may be made only after advertising in the manner provided by Chapter 252, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITALIZATION AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the hospitalization of a sick or injured person of that county or municipality.
(b) The board may contract with this state or a federal agency for the hospital treatment of a sick or injured person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with another political subdivision or a governmental agency for the district to provide investigatory or other services for the hospital or welfare needs of district inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district manager may have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives legally liable for the patient's support.

(b) If the district manager determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district manager determines that the patient or those relatives can pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to their financial ability.

(d) The district manager may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district manager, the board shall hold a hearing and, after calling witnesses, shall:
(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(f) The final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.115. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.

(b) The district is entitled to all causes of action and defenses to which similar authorities are entitled.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1099.151. TERRITORY THAT MAY BE ANNEXED. (a) The district may annex territory that is not located in:

(1) Sherman County;
(2) the boundaries of another hospital district; or
(3) the proposed boundaries of another hospital district authorized by the legislature under Section 9, Article IX, Texas Constitution.

(b) Territory may be annexed in one or more tracts. Each tract must be contiguous to:

(1) the district; or
(2) territory proposed to be annexed to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.152. PETITION TO ANNEX TERRITORY. (a) A petition requesting that territory be annexed to the district may be presented to the board. The petition must:

(1) describe the tract or tracts of land to be annexed; and
(2) be signed by 50 or a majority of the registered voters who:
(A) reside in the territory to be annexed; and
(B) own property duly rendered for taxation on the applicable county tax rolls that will be subject to district taxation.

(b) This subchapter does not prohibit simultaneous action on several petitions for annexation. A ballot proposition must be submitted for each different territory proposed to be annexed, and an election held in each territory represented by an approved petition.

(c) If the board receives two or more petitions for annexation that include all or part of the same territory to be annexed to the district, the petition filed first with the board shall be considered and another petition that includes any of the same territory has no effect.

(d) The board may consider all petitions for annexation presented to it and may approve or reject each petition. The board may not partly approve or partly reject any petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.153. ELECTION ORDER. (a) If, on receipt of a petition under Section 1099.152, the board finds that annexing the territory is in the district's best interest, the board shall within 90 days of the board's finding:
(1) approve the petition; and
(2) order an election on the question of annexing the territory to the district.

(b) The election order shall provide for a separate election in:
(1) the territory proposed to be annexed; and
(2) the district.

(c) The election order shall provide for clerks as in county elections and must specify:
(1) the date of the election;
(2) the location of the polling places;
(3) the form of ballot; and
(4) the presiding judge and alternate judge for each polling place.

(d) The election order may provide that:
(1) the entire district is one election precinct; or
(2) the county election precincts be combined for the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.154. BALLOT. The ballot for the election shall be printed to permit voting for or against the proposition: "The establishment of the Hospital District with extended boundaries and establishment of a hospital district tax at a rate not to exceed 40 cents on the $100 valuation."

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.155. NOTICE OF ELECTION. (a) Notice of the election shall be given by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper or newspapers that individually or collectively have general circulation in the county or district.

(b) The first publication must appear at least 30 days before the date of the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.156. ELECTION RESULTS. (a) Territory may not be annexed to the district unless:
(1) an election is held in accordance with this subchapter; and
(2) the annexation is approved by a majority of the voters voting in the election in:
   (A) the district; and
   (B) the territory proposed to be annexed.

(b) If the territory is annexed to the district, a certified copy of the order canvassing the returns of the election shall be filed and recorded in the deed records.
(c) The failure of an election under this subchapter does not prohibit subsequent elections for the same purpose. A confirmation election may not be held under this subchapter before the first anniversary of the date of an election previously held under this subchapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.157. EFFECT OF ANNEXATION. (a) Territory annexed to the district is part of the board for all purposes.

(b) The annexation of territory to the district does not change the manner in which the board or board officers are selected.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1099.201. BUDGET. (a) The district manager shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

1. the outstanding obligations of the district;
2. the cash on hand to the credit of each district fund;
3. the money received by the district from all sources during the previous year;
4. the money available to the district from all sources during the ensuing year;
5. the balances expected at the end of the year in which the budget is being prepared;
6. the estimated revenue and balances available to cover the proposed budget;
7. the estimated tax rate required; and
8. the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1099.202. NOTICE; HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

(c) Any property taxpayer of the district is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall act on the budget proposed by the district manager. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and the law warrants. The board must approve the annual budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.203. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.204. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.205. FISCAL YEAR. The district shall operate on a fiscal year that begins on September 1 and ends on August 31.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.206. AUDIT. (a) The district shall have an
independent audit made of the district's financial condition for each fiscal year.

(b) As soon as the audit is completed, the audit shall be filed at the district's office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.207. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.208. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district manager shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.209. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) All district money, other than money invested as provided by Section 1099.210(b), and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to:

(1) place a part of district money on time deposit; or
(2) purchase certificates of deposit.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1099.210. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1099.107(c) and by Subchapter F, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. BONDS

Sec. 1099.251. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to the purchase, construction, acquisition, repair, or renovation of buildings or improvements and equipping the buildings or improvements for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1099.253. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the bond election shall provide for clerks as in county elections and must specify:
1. the date of the election;
2. the location of the polling places;
3. the presiding and alternate election judges for each polling place;
4. the amount of the bonds to be authorized; and
5. the maximum interest rate of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.254. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.255. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.256. REVENUE BONDS. (a) The board may issue revenue bonds to:
1. purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
2. acquire sites to be used for hospital purposes.
(b) The bonds must be payable from and secured by a pledge of all or part of district revenue derived from the operation of the district's hospitals.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.257. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued by the district.
(b) A refunding bond may be:
(1) sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of the outstanding indebtedness.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1099.258. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
(1) any bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) any profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER G. TAXES

Sec. 1099.301. IMPOSITION OF TAX. (a) The board shall impose a tax on all taxable property in the district subject to district

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taxation.

   (b) The board shall impose the tax to:
       (1) pay the interest on and create a sinking fund for bonds
           or other obligations issued by the district for hospital purposes as
           provided by this chapter;
       (2) provide for the maintenance and operation of the
           district and hospital system;
       (3) make improvements and additions to the hospital system;
           and
       (4) acquire necessary sites for the hospital system by
           purchase, lease, or condemnation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
   eff. April 1, 2013.

Sec. 1099.302. TAX RATE. (a) The board may impose the tax at
   a rate not to exceed 40 cents on each $100 valuation of taxable
   property in the district.

   (b) In setting the tax rate, the board shall consider the
       income of the district from sources other than taxation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
   eff. April 1, 2013.

Sec. 1099.303. ASSESSMENT AND COLLECTION BY COUNTY TAX
   ASSESSOR-COLLECTOR. Unless the board by majority vote elects to have
   taxes assessed and collected under Section 1099.304, the tax
   assessor-collector of the county in which the district is located
   shall assess and collect taxes imposed by and for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
   eff. April 1, 2013.

Sec. 1099.304. ASSESSMENT AND COLLECTION BY DISTRICT TAX
   ASSESSOR-COLLECTOR. (a) The board, by majority vote, may elect to
   have district taxes assessed and collected by a tax assessor-
   collector appointed by the board. An election under this subsection
   must be made before December 1 and governs the manner in which taxes
are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:
   (1) reside in the district; and
   (2) own real property subject to district taxation.

(c) The board shall prescribe the district tax assessor-collector's term of employment and compensation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1100.  SOUTH RANDALL COUNTY HOSPITAL DISTRICT
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 1100.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the South Randall County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.002.  AUTHORITY FOR OPERATION.  The South Randall County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.003.  ESSENTIAL PUBLIC FUNCTION.  The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.004.  DISTRICT TERRITORY.  Unless the district's
boundaries are expanded under Subchapter D, the boundaries of the
district are coextensive with the boundaries of County Commissioners
Precinct Number 3 of Randall County, Texas, as the boundaries of that
precinct existed on January 1, 1971.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1100.005. CORRECTION OF INVALID PROCEDURES. If a court
holds that any procedure under this chapter violates the constitution
of this state or of the United States, the district by resolution may
provide an alternative procedure that conforms with the constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1100.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
OBLIGATION. The support and maintenance of the district may not
become a charge against or obligation of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1100.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The
legislature may not make a direct appropriation for the construction,
maintenance, or improvement of a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1100.051. BOARD ELECTION; TERM. (a) Unless the number of
directors is increased or decreased in accordance with Section
1100.060, the board consists of seven directors elected from the
district at large.

(b) Unless four-year terms are established under Section
285.081, Health and Safety Code:
(1) directors serve staggered two-year terms; and
(2) an election shall be held annually on the May uniform election date, or another date authorized by law, to elect the appropriate number of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.101(7), eff. September 1, 2013.

Sec. 1100.052. NOTICE OF ELECTION. At least 30 days before the date of a directors' election, notice of the election must be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:
(1) signed by at least 10 registered taxpaying voters; and
(2) filed by the deadline imposed by Section 144.005, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:
(1) a resident of the district; and
(2) a qualified voter.
(b) A person is not eligible to serve as a director if the person is:
(1) the district administrator;
(2) a district employee; or
(3) a member of the hospital staff.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall fill the vacancy for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.056. OFFICERS. (a) The board shall elect:

(1) a president and a vice president from among its members; and

(2) a secretary, who need not be a director.

(b) Each officer of the board serves a one-year term.

(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.057. QUORUM; VOTING REQUIREMENT. (a) Any four directors constitute a quorum.

(b) A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.058. EXPENSES. A director or officer may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.
Sec. 1100.059. PAYMENT FOR ATTENDANCE AT MEETINGS. The board may establish a system of payments set at a reasonable amount determined by the board for attending board or committee meetings related to the performance of official duties.

Sec. 1100.060. PETITION TO CHANGE NUMBER OF DIRECTORS. (a) A petition to increase or decrease the number of directors by one or two directors may be presented to the board at any time.

(b) A petition to increase or decrease the number of directors must:

(1) be executed by at least 100 registered voters of the district; and

(2) suggest the number of directors the petitioners believe are required for the orderly administration of district affairs.

(c) Not later than the 90th day after the date a proper petition is presented to the board, the board shall order an election on the question of changing the number of directors to a number not to exceed the number suggested by the petition.

(d) The order calling the election shall provide for election officials as in county elections and must specify:

(1) the date of the election; and

(2) the location of the polling places.

(e) Notice of the election shall be published as provided by Section 1251.003, Government Code.

(f) The ballot for the election shall be printed to permit voting for or against the proposition: "Providing for an increase (decrease) in the number of directors of the South Randall County Hospital District."

(g) If a proposition to increase the number of directors is approved by a majority of the voters participating in the election:

(1) each director in office shall continue to serve for the term for which the director was elected or appointed; and
(2) the board shall appoint any additional directors to serve until the next regular election of directors, at which time a successor shall be elected.

(h) If a proposition to decrease the number of directors is approved by a majority of the voters participating in the election:

(1) the reduction takes effect at the next regular election or election of directors; and

(2) not more than one position may be deleted at each election.

(i) Notwithstanding Subsection (c), another election for the same purpose may not be held before the third anniversary of the date of an election under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.061. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board shall appoint a qualified person as district administrator.

(b) The district administrator may appoint an assistant administrator.

(c) The district administrator shall serve at the will of the board and shall receive the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains any other condition the board requires.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.062. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to any limitation prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.
Sec. 1100.063. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments if warranted.

(b) The district may employ fiscal agents, accountants, architects, and attorneys as the board considers proper.

(c) The board may delegate to the district administrator the authority to employ district employees, including technicians and nurses.

Sec. 1100.064. RECRUITMENT OF MEDICAL STAFF. (a) The district may spend district money to recruit physicians, nurses, or other trained medical personnel.

(b) The district may pay the tuition or other costs or expenses of a full-time medical or nursing student who:

(1) is enrolled in and is in good standing at an accredited school, college, or university; and

(2) contractually agrees to become a district employee in return for that assistance.

Sec. 1100.065. CONTINUING EDUCATION; RETRAINING. The board may spend district money for continuing education and retraining of employees.
Sec. 1100.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.104. HOSPITAL SYSTEM. (a) The district shall provide for:

(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   (B) equipping the buildings; and
(2) the administration of the hospital system for hospital purposes.

(b) The hospital system may include:
(1) domiciliary care and treatment of the sick, injured, or geriatric;  
(2) outpatient clinics;  
(3) dispensaries;  
(4) convalescent home facilities;  
(5) necessary nurses;  
(6) domiciliaries and training centers;
(7) blood banks;
(8) community mental health centers;
(9) research centers or laboratories; and
(10) any other facilities the board considers necessary for hospital care.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire or lease equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.
(d) The district may borrow money to purchase equipment or for other purposes authorized by the board. The board may pledge all or part of the district's tax revenue to the payment of the amounts borrowed. Section 1100.211(c) does not apply to amounts borrowed under this subsection.

(e) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient to a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.
Sec. 1100.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than $15,000 may be made only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code.

Sec. 1100.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Sec. 1100.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the state or federal government to reimburse the district for treatment of a sick or injured person.

Sec. 1100.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with another political subdivision or governmental agency for the district to provide investigatory or other services for the medical, hospital, or welfare needs of district inhabitants.
Sec. 1100.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to their financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and

(2) issue any appropriate order.

(f) The final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.115. REIMBURSEMENT FOR SERVICES. (a) The board shall require the sheriff of Randall County or the police chief of a municipality located in Randall County, as appropriate, to reimburse the district for the district's care and treatment of a person
confined in a jail facility of Randall County or a municipality located in Randall County who is not a district resident.

(b) A person confined in a jail facility of Randall County or a municipality located in Randall County, as appropriate, is not considered a district resident unless the person meets the qualifications for residency notwithstanding the confinement, the length of confinement, or the facts surrounding the confinement.

Sec. 1100.116.  AUTHORITY TO SUE AND BE SUED.  The district, through the board, may sue and be sued.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D.  CHANGE IN BOUNDARIES

Sec. 1100.151.  EXPANSION OF TERRITORY; ELECTION.  (a) The board may order an election on the question of:

(1) expanding the district's boundaries to include all of the territory in Randall County that is not included in the City of Amarillo Hospital District;

(2) the assumption by the additional territory of a proportionate share of district debt; and

(3) the imposition of taxes in the territory to be added to that district.

(b) The district may not be expanded unless the expansion, assumption of debt, and imposition of taxes are approved by a majority of the voters at:

(1) an election held in the district; and

(2) a separate election held in the territory to be added.

(c) The election in the district and the election in the territory to be added must be held on the same day.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1100.152. BALLOT. The ballot for the election must be printed to permit voting for or against the proposition: "Expanding the South Randall County Hospital District to include all of the territory in Randall County that is not included in the City of Amarillo Hospital District, the assumption by the additional territory of its proportionate share of the district's outstanding debt, and the imposition of a tax not to exceed 75 cents on each $100 of valuation on all taxable property in the expanded area of the district."

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1100.201. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand to the credit of each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.202. NOTICE; HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time.
(c) Any district taxpayer is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall act on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interest of the taxpayers and the law warrants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.203. AMENDMENTS TO BUDGET. The annual budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.204. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the annual budget or an amendment to the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.205. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed more than once in a 24-month period.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.206. AUDIT. The board shall have an audit made of the district's financial condition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1100.207. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.208. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of that money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.209. DEPOSITORY. (a) The board shall select one or more banks or other federally insured financial institutions inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1100.210(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to:

(1) place a portion of district money on time deposit; or

(2) purchase certificates of deposit.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.210. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Sections 1100.104(b), 1100.107, 1100.110, 1100.111, and 1100.211 and Subchapter F, the district may not incur an obligation payable from district revenue other than the
revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest district money in funds and securities as prescribed by Chapter 2256, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.211. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board declares that:

(1) money is not available to meet authorized district obligations; and

(2) an emergency exists.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) The board may not spend money obtained from a loan under this section for any purpose other than:

(1) the purpose for which the board declared an emergency; and

(2) if district taxes or bonds are pledged to pay the loan, the purposes for which the pledged taxes were imposed or the pledged bonds were authorized.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. BONDS

Sec. 1100.251. GENERAL OBLIGATION BONDS. The board may issue
and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

1. the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and
2. equipping buildings or improvements for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district subject to hospital district taxation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.253. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling a bond election must provide for clerks as in county elections and must specify:

1. the date of the election;
2. the location of the polling places;
3. the presiding and alternate election judges for each polling place;
4. the amount of the bonds to be authorized; and
5. the maximum maturity of the bonds.

(c) Notice of a bond election shall be published as provided by Section 1251.003, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1100.254. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.255. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the district's general obligation bonds in the district's name, and the board secretary shall countersign the general obligation bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.256. REVENUE BONDS. (a) The board may issue revenue bonds to:

1. purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or
2. acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.257. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness
issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.258. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) any profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER G. TAXES

Sec. 1100.301. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all taxable property in the district subject to district taxation.

(b) The board shall impose the tax to pay:

(1) the district's indebtedness, including obligations created or assumed by the district; and
(2) the district's maintenance and operating expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.302. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.
Sec. 1100.303. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER H. DISSOLUTION

Sec. 1100.351. DISSOLUTION; ELECTION. (a) The district may be dissolved as provided by this subchapter.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 30 registered voters in the district.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.352. BALLOT. The ballot for the election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the South Randall County Hospital District."

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.353. ELECTION RESULTS. (a) If a majority of the votes in the election under this subchapter favor dissolution, the board shall find that the district is dissolved.
(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.354. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer to Randall County the land, buildings, improvements, equipment, and other assets that belong to the district; or

(2) administer the property, assets, and debts in accordance with this subchapter.

(b) If the board makes the transfer under Subsection (a)(1), the county assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If the board does not make the transfer under Subsection (a)(1), the board shall continue to control and administer the property, debts, and assets of the district under Subsection (a)(2) until all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.355. IMPOSITION OF TAX. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) The board may institute a suit to enforce payment of taxes and to foreclose liens to secure the payment of the taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1100.356. RETURN OF SURPLUS TAXES. (a) On the payment of all outstanding debts and obligations of the district, the board shall order the board secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(b) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the board secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1100.357. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Randall County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Randall County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1101. SUTTON COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1101.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Commissioners court" means the Commissioners Court of Sutton County, Texas.
(3) "Director" means a member of the board.
(4) "District" means the Sutton County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1101.002. AUTHORITY FOR OPERATION. The Sutton County Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Sutton County, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. This state may not become obligated for the support or maintenance of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION
Sec. 1101.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected as follows:

(1) one director elected from each commissioners precinct; and

(2) three directors elected from the district at large.

(b) Directors serve staggered four-year terms.

(c) An election shall be held in each even-numbered year on the May uniform election date prescribed under Section 41.001, Election Code, or another date authorized by law, to elect the appropriate number of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.101(8), eff. September 1, 2013.

Sec. 1101.052. NOTICE OF ELECTION. Notice of a directors' election must be published one time in a newspaper with general circulation in the district in accordance with Section 4.003, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

(1) a resident of the district; and

(2) a qualified voter.

(b) In addition to the qualifications required by Subsection (a), a person who is elected from a commissioners precinct or who is appointed to fill a vacancy for a commissioners precinct must be a resident of that commissioners precinct.

(c) A district employee may not serve as a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1101.054. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.055. OFFICERS. (a) The board shall elect from among its members a president and a vice president.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves a one-year term.

(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.057. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.058. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.
(b) The district administrator serves at the will of the board and is entitled to compensation as determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in an amount determined by the board of not less than $5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:

(1) the assistant district administrator; and

(2) the attorney for the district.

(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to compensation as determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.061. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as considered necessary.

(b) The district may employ technicians, nurses, fiscal agents,
accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

(d) The board may spend district money to recruit to the hospital staff any physicians necessary to satisfy the medical needs of district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.062. NURSING SCHOOL SCHOLARSHIPS. The board may spend district money to provide scholarships to district residents to attend nursing school.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1101.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1101.102.  RESTRICTION ON COUNTY TAXATION AND DEBT. Sutton County may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.103.  MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.104.  RULES. The board may adopt rules governing:
   (1) the operation of the hospital and hospital system; and
   (2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.105.  PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
   (1) the method of making purchases and expenditures by and for the district; and
   (2) accounting and control procedures for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.106.  MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1101.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.

(b) The hospital system may include:
(1) facilities and equipment to provide for domiciliary care and treatment of geriatric patients; and
(2) convalescent home facilities.

(c) The board may:
(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and
(2) mortgage or pledge the property as security for payment of the purchase price.

(d) The board may lease hospital facilities for the district.

(e) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.109. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.
Sec. 1101.110. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Sec. 1101.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or
(2) provide for the investigatory or welfare needs of district inhabitants.

Sec. 1101.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an individual who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) a relative of the patient legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.
The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:

1. call witnesses;
2. hear and resolve the question; and
3. issue a final order.

The final order of the board may be appealed to a district court in Sutton County. The substantial evidence rule applies to the appeal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.113. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county or municipality located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county or municipality.

(b) The board shall require the sheriff of Sutton County to reimburse the district for the district's care and treatment of a person confined in a jail facility of Sutton County who is not a district resident.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.114. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1101.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand to the credit of each district fund;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.
Sec. 1101.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the annual budget or an amendment to the budget.

Sec. 1101.155. FISCAL YEAR. The district operates according to a fiscal year established by the board.

Sec. 1101.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Sec. 1101.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Sec. 1101.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and
(2) an account of the disbursements of that money.
Sec. 1101.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1101.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the power of the board to:

(1) place a portion of district money on time deposit; or

(2) purchase certificates of deposit.

Sec. 1101.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1101.109, 1101.201, 1101.204, and 1101.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Sec. 1101.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or
(3) a district bond that has been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER E. BONDS**

Sec. 1101.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

- (1) purchase, construct, acquire, repair, or renovate buildings or improvements;
- (2) equip buildings or improvements for hospital purposes; or
- (3) acquire and operate a mobile emergency medical service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.
Sec. 1101.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes;

(2) acquire sites to be used for hospital purposes; or

(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.205. REFUNDING BONDS. (a) District refunding bonds may be issued to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied
to the payment of outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.207. EXECUTION OF BONDS. The board president shall execute the district's bonds in the district's name, and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.208. ADDITIONAL MEANS OF SECURING PAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1101.202 and revenue and other sources authorized by Section 1101.204.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:
(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided
through the bonds, not to exceed five years;
(3) costs related to the operation and maintenance of a
project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or
construction, not to exceed five years; and
   (B) for one year after the project or facility is
acquired or constructed;
(4) costs related to the financing of the bond funds,
including debt service reserve and contingency funds;
(5) costs related to the bond issuance;
(6) costs related to the acquisition of land or interests
in land for a project or facility to be provided through the bonds;
and
(7) costs of construction of a project or facility to be
provided through the bonds, including the payment of related
professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1101.210. BONDS EXEMPT FROM TAXATION. The following are
exempt from taxation by this state or a political subdivision of this
state:
(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

SUBCHAPTER F. TAXES
Sec. 1101.251. IMPOSITION OF AD VALOREM TAX. (a) The board
may impose a tax on all property in the district subject to district
taxation.

(b) The tax may be used to pay:
(1) indebtedness issued or assumed by the district; and
(2) district maintenance and operating expenses.

(c) The district may not impose a tax to pay the principal of
or interest on revenue bonds issued under this chapter.
Sec. 1101.252.  TAX RATE.  (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Sec. 1101.253.  ELECTION TO INCREASE MAXIMUM TAX RATE.  (a) The board may order an election to increase the district's maximum tax rate to 75 cents on each $100 valuation of taxable property in the district. The board shall order the election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(b) The ballot for the election shall be printed to permit voting for or against the proposition: "The imposition of annual taxes by the district for hospital purposes at a rate not to exceed 75 cents on the $100 valuation of all taxable property in the district."

(c) If a majority of the votes favor the proposition, the board may impose taxes as authorized by the proposition, subject to Section 1101.254. If a majority of the votes do not favor the proposition, another election on the question of increasing the district's maximum tax rate may not be held before the first anniversary of the date of the most recent election at which voters disapproved the proposition.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 2, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1101.254. LIMIT ON ANNUAL INCREASE IN TAX RATE. (a) Notwithstanding Section 1101.253, the board may not in any year increase the tax rate by five cents or more on each $100 valuation above the tax rate imposed in the preceding year unless the increase is approved at an election held under this section.

(b) The board may order an election to increase the district's tax rate by five cents or more on each $100 of valuation above the rate imposed in the preceding year. The board shall order the election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(c) The ballot for the election shall be printed to permit voting for or against the proposition: "The imposition of the (insert year) annual tax by the district for hospital purposes at a rate not to exceed (insert rate) cents on the $100 valuation of all taxable property in the district."

(d) If a majority of the votes favor the proposition, the board may impose taxes as authorized by the proposition. If a majority of the votes do not favor the proposition, the board may not increase the tax rate for that year by five cents or more on each $100 valuation above the tax rate imposed in the preceding year.

(e) This section does not authorize the board to impose taxes in an amount that exceeds the maximum amount approved by the voters under Section 1101.253.

(f) This section does not affect any rights district voters may have to petition for an election under Section 26.07, Tax Code, except that if district voters approve a tax rate increase under this section, the voters may not petition for an election under Section 26.07, Tax Code, as to the tax rate for that year.

(g) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.255. TAX ASSESSOR-COLLECTOR. The board may provide
for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER G. DISSOLUTION**

Sec. 1101.301. DISSOLUTION; ELECTION. (a) The district may be dissolved as provided by this subchapter.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of registered voters in the district.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

 Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.302. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Sutton County Hospital District."

 Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.303. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.
Sec. 1101.304. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer to Sutton County the land, buildings, improvements, equipment, and other assets that belong to the district; or

(2) administer the property, assets, and debts in accordance with Sections 1101.305, 1101.306, and 1101.307.

(b) If the board makes the transfer under Subsection (a)(1), Sutton County assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

Sec. 1101.305. BOARD MANAGEMENT OF ASSETS ON DISSOLUTION; IMPOSITION OF TAX. (a) If the district does not transfer the land, buildings, improvements, equipment, and other assets to Sutton County under Section 1101.304, the board shall continue to control and administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(c) The board may institute a suit to enforce payment of taxes and to foreclose liens to secure the payment of taxes due the district.

Sec. 1101.306. RETURN OF SURPLUS TAXES. (a) On the payment of
all outstanding debts and obligations of the district in accordance with Section 1101.305, the board shall order the board secretary to return to each district taxpayer the pro rata share of all unused tax money.

(b) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the board secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the commissioners court summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the commissioners court receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1102. SWEENY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS
Sec. 1102.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Sweeny Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.002. AUTHORITY FOR OPERATION. The Sweeny Hospital District operates in accordance with Section 9, Article IX, Texas Constitution.
Sec. 1102.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Sec. 1102.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Sweeny Independent School District as those boundaries existed on May 10, 1963.

Sec. 1102.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1102.051. BOARD ELECTION; TERM. (a) The board consists of seven elected directors.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve two-year terms; and

(2) an election shall be held annually on the May uniform election date prescribed under Section 41.001, Election Code, or another date authorized by law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1102.052. NOTICE OF ELECTION. Notice of a directors' election shall be published in a newspaper of general circulation in Brazoria County in accordance with Section 4.003, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) a resident of the district; and

(2) at least 18 years of age.

(b) A district employee may not serve as a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.054. BOND; RECORD OF BOND AND OATH. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond and the constitutional oath of office must be deposited with the district's depository bank for safekeeping.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a
special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.056. OFFICERS. (a) The board shall elect from among its members a president and secretary.
(b) The board may elect or appoint other officers as the board determines necessary.
(c) The board shall prescribe the powers and duties of an officer position created under Subsection (b) in addition to the positions of president and secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.057. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the entire board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.059. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may employ a general manager, an attorney, a bookkeeper, an architect, and other employees considered necessary for the efficient operation of the district.
(b) The board may spend district money, enter into agreements, and take other necessary action to recruit physicians as independent contractors to serve as medical staff members and to recruit other persons to serve as district employees, including:

(1) advertising and marketing;
(2) paying travel, recruitment, and relocation expenses;
(3) providing a loan or scholarship to:
   (A) a physician who:
      (i) is currently enrolled in health care education courses at an institution of higher education; and
      (ii) contractually agrees to serve as an independent contractor on the district's medical staff; or
   (B) a person who is not a physician who:
      (i) is currently enrolled in health care education courses at an institution of higher education; and
      (ii) contractually agrees to become a district employee;
(4) paying the tuition or other expenses of a full-time medical student who:
   (A) is enrolled in and is in good standing at an accredited medical school, college, or university; and
   (B) contractually agrees to serve as an independent contractor on the district's medical staff in return for that assistance; or
(5) paying the tuition or other expenses of a full-time student in a health occupation who:
   (A) is not a medical student;
   (B) is enrolled in and is in good standing at an accredited medical school, college, or university; and
   (C) contractually agrees to serve as an employee or independent contractor for the district in return for that assistance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1102.054, all district records, including books, accounts, notices, and minutes, and all other
matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and
(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.061. SEAL. The board may adopt a seal for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 1102.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants and needy and indigent residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION. Brazoria County or a municipality in the district may not impose a tax on property in the district for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.103. MANAGEMENT AND CONTROL OF DISTRICT. The management and control of the district is vested in the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1102.104. HOSPITAL SYSTEM. The district shall provide for:

(1) the establishment of a hospital system to provide medical and hospital care to district residents by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements; and
   (B) equipping the buildings and improvements; and

(2) the administration of the hospital system for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.105. NURSING HOME FACILITIES. The district may provide outpatient care for the aged or infirm residing in the district in nursing home facilities by purchasing, constructing, acquiring, repairing, renovating, or leasing land, buildings, and improvements. The district may equip the facilities and administer the facilities for appropriate purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.106. RULES. (a) The board may adopt rules governing the operation of the district and district facilities.

(b) The rules, on approval by the board, may be published in booklet form at district expense and may be made available to any taxpayer on request.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.107. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:
   (1) all accounting and control procedures; and
   (2) the method of purchasing necessary supplies, materials,
and equipment.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a
patient who resides in the district is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the board determines that the patient or those relatives are liable to pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to their financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from the patient's relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate order.

(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.111. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use money contributed by the district only to provide health care or other services the district is authorized to provide under this chapter.
(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.112. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1102.151. BUDGET. The board annually shall have a budget prepared for the next fiscal year that includes:

(1) proposed expenditures and disbursements;
(2) estimated receipts and collections; and
(3) the amount of taxes required to be imposed for the year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.152. PROPOSED BUDGET; NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in Brazoria County not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to:

(1) appear at the time and place designated in the notice; and
(2) be heard regarding any item included in the proposed budget.
Sec. 1102.153. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.  
(b) The fiscal year may not be changed:  
(1) if revenue bonds of the district are outstanding; or  
(2) more than once in a 24-month period.

Sec. 1102.154. ANNUAL AUDIT. The board annually shall have an independent audit made of the district's books and records.

Sec. 1102.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in Brazoria County as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.  
(b) All district money shall be secured in the manner provided for securing county funds.

Sec. 1102.156. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.  
(a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.  
(b) To secure a loan, the board may pledge:  
(1) district revenue that is not pledged to pay the district's bonded indebtedness;  
(2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged
to pay the principal of or interest on district bonds; or

(3) a district bond that has been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1102.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district to purchase, construct, acquire, repair, or renovate buildings or improvements and equip buildings or improvements for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued under Section 1102.201 as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election in accordance with Chapter 1251, Government Code.
(c) Notice of a bond election shall be given as provided by Chapter 1251, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute district general obligation bonds in the district's name.
(b) The board secretary shall countersign the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.205. REVENUE BONDS. (a) The board may issue revenue bonds to purchase, construct, acquire, repair, renovate, or equip buildings, sites, or improvements for district purposes.
(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.
(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.
(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.206. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1102.202 and revenue and other sources as authorized by Section 1102.205.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1102.207. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) construction costs of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1102.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds issued by the district for hospital purposes as provided by this chapter;

(2) provide for the maintenance and operation of the district and hospital system;

(3) make improvements and additions to the hospital system;
and

(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER G. DISSOLUTION

Sec. 1102.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the registered district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered district voters.

(d) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 161, Sec. 18.102, eff. September 1, 2013.

(e) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;

(2) the date of the election;
Section 1102.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Sweeny Hospital District."

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1102.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Brazoria County or another governmental entity in Brazoria County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If the district does not make the transfer under Subsection (a)(1) and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all the money has been disposed of and all district debts have been paid or settled.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine any debt owed by the district; and

(2) impose on the property included on the district's tax roll a tax that is in proportion of any debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the board secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the board secretary to transmit the money to the Brazoria County tax assessor-collector.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1102.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Brazoria County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the commissioners court receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1103. SWISHER MEMORIAL HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1103.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Swisher Memorial Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.002. AUTHORITY FOR CREATION. The Swisher Memorial Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of
Sec. 1103.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Swisher County, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1103.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors elected as follows:

(1) one director elected from each county commissioners precinct; and

(2) one director elected from the county at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code, directors serve staggered two-year terms, with the terms of two or three directors expiring each year, as appropriate.

(c) An election shall be held annually on the May uniform
election date, or another date authorized by law, to elect the appropriate number of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
    Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.101(10), eff. September 1, 2013.

Sec. 1103.052. NOTICE OF ELECTION. Notice of a directors' election must be published in accordance with Section 4.003, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
    Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.002(a), eff. September 1, 2013.

Sec. 1103.053. BALLOT APPLICATION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary an application in accordance with Chapter 144, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
    Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.002(b), eff. September 1, 2013.

Sec. 1103.054. QUALIFICATIONS FOR OFFICE. (a) A person must at the time of election or appointment as director:
    (1) be a registered voter of the district; and
    (2) be at least 18 years of age.
(b) A director must reside in the area the director represents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.002(c), eff. September 1, 2013.

Sec. 1103.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.
(b) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, the county judge of Swisher County may fill the vacancies by appointment.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.056. OFFICERS. The board shall elect from among its members a president, a vice president, and a secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.057. COMPENSATION. A director is entitled to compensation at a rate determined by the board. The rate may not exceed $10 for each board meeting.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.058. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR.
(a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and receive the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $10,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains any other condition the board requires.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.061. EMPLOYEES. The board may employ any doctors, technicians, nurses, and other employees as considered necessary for the efficient operation of the district or may provide that the district administrator has the authority to employ those persons.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.062. RETIREMENT PROGRAM. The board may enter into any contract or agreement with this state or the federal government as required to establish or continue a retirement program for the benefit of the district's employees.
Sec. 1103.063. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The board shall:

(1) keep an accurate account of board meetings and proceedings; and

(2) maintain at the district's principal office all district records and accounts, including contracts, notices, duplicate vouchers, and duplicate receipts.

(b) The information described by Subsection (a) shall be open to public inspection at the district's principal office at all reasonable times.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care of indigent persons; and

(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION AND DEBT. Swisher County or a municipality in Swisher County may not impose a tax or issue bonds or other obligations for hospital purposes or for medical care.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The
board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.104. HOSPITAL SYSTEM. The district shall provide for:
(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   (B) equipping the buildings; and
(2) the administration of the hospital system for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient to a power, right, or privilege conferred
by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under any directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside Swisher County for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the federal government is responsible.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes
a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to their financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate order.

(f) A party to the dispute who is not satisfied with the order may appeal to the district court. The appeal shall be by trial de novo as that term is used in an appeal from a justice court to the county court.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.111. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1103.151. BUDGET. (a) The district administrator shall prepare for approval by the board an annual budget that corresponds to the district's fiscal year.

(b) Not later than August 31 of each year, the board shall publish notice of a public hearing on the proposed budget. The notice must be published in a newspaper of general circulation in Swisher County at least 10 days before the date of the hearing.
Sec. 1103.152. FISCAL YEAR. The district shall operate on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.153. AUDIT. (a) The district shall have an audit made of the district's financial condition.
(b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.154. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:
(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.155. DEPOSITORY. (a) The board shall designate one or more banks in Swisher County to serve as a depository for district money.
(b) All district money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to an appropriate bank to pay the principal of and interest on the district's outstanding bonds, or other obligations assumed by the district, on or before the maturity date of the principal and interest.
(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must
be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being designated as depository.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) district taxes to be imposed by the district during the 12-month period following the date of the pledge that are not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.003(a), eff. September 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1103.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose related to the purchase, construction, acquisition, repair, or renovation of buildings or improvements, and equipping buildings or improvements for a hospital and the hospital system, as determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1103.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board shall call the election. The election must be held in accordance with Chapter 1251, Government Code.

(c) The bond election order must specify:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the presiding election officers;
   (4) the amount of the bonds to be authorized;
   (5) the maximum maturity of the bonds; and
   (6) the maximum interest rate of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.204. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name and the board secretary shall attest the bonds as provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.2045. REVENUE BONDS. (a) The board may issue
revenue bonds to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip buildings or improvements for hospital purposes; or
(3) acquire real property for hospital purposes.

(b) Revenue bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) Revenue bonds may be additionally secured by a mortgage or deed of trust on all or part of district property.

(d) Revenue bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.003(b), eff. September 1, 2013.

Sec. 1103.205. REFUNDING BONDS. (a) District refunding bonds may, without an election, be issued to refund any bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of outstanding bonds; or
(2) exchanged wholly or partly for not less than a similar principal amount of the outstanding bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.206. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) any bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) any profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1103.207. ANTICIPATION NOTES AND CERTIFICATES OF OBLIGATION. The board may issue:
(1) anticipation notes under Chapter 1431, Government Code; and
(2) certificates of obligation under Subchapter C, Chapter 271, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this chapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1103.202 and revenue and other sources as authorized by Section 1103.2045.

Added by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.003(b), eff. September 1, 2013.

Sec. 1103.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this chapter to pay:
(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;
(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
(5) costs related to the bond issuance;
(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) construction costs of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.003(b), eff. September 1, 2013.

**SUBCHAPTER F. GENERAL TAX PROVISIONS**

Sec. 1103.251. IMPOSITION OF AD VALOREM TAX. (a) The district may impose a tax on all taxable property in the district subject to district taxation.

(b) The tax may be used to meet the requirements of:

(1) district bonds;

(2) indebtedness assumed by the district; and

(3) district maintenance and operating expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.252. TAX RATE. The district may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Swisher County shall assess and collect taxes imposed by the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**CHAPTER 1104. TEAGUE HOSPITAL DISTRICT**
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1104.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Teague Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.002. AUTHORITY FOR OPERATION. The Teague Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Teague Independent School District as those boundaries existed on June 19, 1983.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. This state may not become obligated for the support or maintenance of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1104.006.  RESTRICTION ON STATE FINANCIAL ASSISTANCE.  The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER B.  DISTRICT ADMINISTRATION**

Sec. 1104.051.  BOARD ELECTION; TERMS.  (a) The district is governed by a board of seven directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.052.  NOTICE OF ELECTION.  At least 35 days before the date of a directors' election, notice of the election must be published one time in a newspaper with general circulation in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.053.  BALLOT PETITION.  A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action.  The petition must be:

1. signed by at least 50 registered voters of the district, as determined by the most recent official lists of registered voters; and
2. filed by the deadline imposed by Section 144.005, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1104.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:
(1) a resident of the district; and
(2) a qualified voter.
(b) A district employee may not serve as a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.055. BOND. (a) Before assuming the duties of office, each director must execute a bond for $5,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.
(b) The board may pay for directors' bonds with district money.
(c) Each director's bond shall be kept in the district's permanent records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.057. OFFICERS. (a) The board shall elect from among its members a president, a vice president, and a secretary.
(b) Each officer of the board serves a one-year term.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1104.058. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.059. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and is entitled to compensation as determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond in an amount determined by the board of not less than $5,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the general affairs of the district.
Sec. 1104.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:
(1) the assistant district administrator; and
(2) the attorney for the district.
(b) The assistant district administrator and the attorney for the district serve at the will of the board and are entitled to compensation as determined by the board.

Sec. 1104.063. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as considered necessary.
(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.
(c) The board may delegate to the district administrator the authority to employ persons for the district.

Sec. 1104.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:
(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 1104.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.102. RESTRICTION ON MUNICIPAL TAXATION AND DEBT. The City of Teague may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.104. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.
Sec. 1104.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.  
(a) The board shall determine: 
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and 
(2) the type of equipment necessary for hospital care.  
(b) The board may: 
(1) acquire property, including facilities and equipment, for the district for use in the hospital system; and 
(2) mortgage or pledge the property as security for payment of the purchase price.  
(c) The board may lease hospital facilities for the district.  
(d) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Sec. 1104.107. EMINENT DOMAIN.  (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary to exercise a right or authority conferred by this chapter.  
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.  
(c) In a condemnation proceeding brought by the district, the district is not required to: 
(1) pay in advance or provide a bond or other security for costs in the trial court; 
(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or 
(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1104.108. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.110. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.
Sec. 1104.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

(1) furnish a mobile emergency medical service; or

(2) provide for the investigatory or welfare needs of district inhabitants.

Sec. 1104.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an individual who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and

(2) a relative of the patient legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability
to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:

(1) call witnesses;
(2) hear and resolve the question; and
(3) issue a final order.

(f) The final order of the board may be appealed to a district court in the county in which the district is located. The substantial evidence rule applies to the appeal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.114. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county or municipality located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county or municipality.

(b) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.115. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1104.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand to the credit of each district fund;
(3) the amount of money received by the district from all
sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenue and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.
(b) The board shall publish notice of the hearing in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.
(c) Any district resident is entitled to be present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.
(e) The budget is effective only after adoption by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the annual budget or an amendment to the budget.
Sec. 1104.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Sec. 1104.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Sec. 1104.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Sec. 1104.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and

(2) an account of the disbursements of that money.
Sec. 1104.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1104.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the power of the board to:

(1) place a part of district money on time deposit; or
(2) purchase certificates of deposit.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Sections 1104.110, 1104.201, 1104.204, and 1104.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1104.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements; or
(2) equip buildings or improvements for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the
board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The board may order a bond election.

(c) The order calling the election must specify:

(1) the nature and date of the election;

(2) the hours during which the polls will be open;

(3) the location of the polling places;

(4) the amount of the bonds to be authorized; and

(5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner provided by Sections
Sec. 1104.205. REFUNDING BONDS. (a) District refunding bonds may be issued to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.207. EXECUTION OF BONDS. The board president shall execute the district's bonds in the district's name, and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1104.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:
(1) the general obligation bonds issued and the indebtedness assumed by the district; and
(2) district maintenance and operating expenses.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) Unless the rate is increased as provided by Section 1104.253, the tax rate for all purposes may not exceed five cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the district's maximum tax rate to 12 cents on each $100 valuation of taxable property in the district. The board shall order the election if the board receives a petition requesting an election that is signed by at least 50 registered voters in the district.
(b) The ballot for the election shall be printed to permit voting for or against the proposition: "The imposition of annual taxes by the district for hospital purposes at a rate not to exceed 12 cents on the $100 valuation of all taxable property in the district."

(c) If the board finds that the election results favor the proposition, the board may impose taxes as authorized by the proposition. If the board finds that the election results do not favor the proposition, another election on the question of increasing the district's maximum tax rate may not be held before the first anniversary of the date of the most recent election at which voters disapproved the proposition.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.254. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER G. DISSOLUTION

Sec. 1104.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) A majority of the board may order that a dissolution election be held.

(c) If the board receives a petition requesting an election that is signed by at least 10 percent of the registered voters of the district, according to the most recent official list of registered voters, the board shall order an election to be held. The election shall be called not later than the 60th day after the date the petition is presented to the district.

(d) The order calling the election must state:
(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication must appear at least 35 days before the date set for the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Teague Hospital District."

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.304. ELECTION RESULTS. (a) If the board finds that the election results favor the proposition to dissolve the district, the board shall:

(1) issue an order declaring the district be dissolved; and
(2) specify in the order the date the dissolution takes effect.

(b) If the board finds that the election results do not favor the proposition to dissolve the district, another dissolution election may not be held before the first anniversary of the date of the election at which the voters disapproved the proposition.
Sec. 1104.305. DIRECTORS IN OFFICE AFTER DISSOLUTION. The directors in office on the date of the dissolution shall continue in office, without further election, until:

(1) the affairs of the district are effectively concluded; and

(2) all duties or acts required of the board are completed.

Sec. 1104.306. IMPOSITION OF TAX; TRANSFER OF DEBTS. After issuing the dissolution order, the board shall determine the debt owed by the district and shall:

(1) impose on property subject to taxation in the district a tax in proportion of the debt to the property value and use the tax revenue to pay the district's bonds or satisfy other district debts; or

(2) transfer the district's debts to any governmental entity assuming responsibility after dissolution of the district for providing hospital care in the territory included in the district.

Sec. 1104.307. DISPOSITION OR TRANSFER OF ASSETS AND DEBTS.

(a) The board may not dispose of or transfer the district's assets except for due compensation unless:

(1) the debts are transferred to another governmental entity embracing the district; and

(2) the transferred assets are used for the benefit of citizens formerly in the district.

(b) If the board transfers the district's debts to another governmental entity, the board shall also transfer to that governmental entity:

(1) title to land, buildings, improvements, and equipment
related to the hospital system owned by the district; and

(2) operating money and reserves for operating expenses and money budgeted by the district to provide medical care for district residents for the remainder of the fiscal year in which the district is dissolved.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.308. SPENDING RESTRICTIONS. After the effective date of the district's dissolution, the board may not spend any money except as authorized together with all reasonable dissolution expenses and the district's legal debts incurred before that date.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1104.309. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Freestone County summarizing the board's actions in dissolving the district. The report must include a summary of the district's debts.

(b) Not later than the 10th day after the date the Commissioners Court of Freestone County receives the report, the commissioners court shall:

(1) determine whether the board has fulfilled the requirements of this subchapter; and

(2) if the commissioners court determines the board has fulfilled its duties, enter an order to that effect.

(c) On entry of an order under Subsection (b)(2), the directors are discharged from liability under their bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1105.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Terry Memorial Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.002. AUTHORITY FOR CREATION. The Terry Memorial Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Terry County, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1105.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1105.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms with the terms of three or four directors expiring each year as appropriate; and

(2) a directors' election shall be held annually on the May uniform election date or another date authorized by law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.101(11), eff. September 1, 2013.

Sec. 1105.052. NOTICE OF ELECTION. At least 10 days before the date of a directors' election, notice of the election must be published one time in a newspaper of general circulation in Terry County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file a petition requesting that action. The petition must be:

(1) signed by not fewer than 10 registered voters; and

(2) filed by the deadline imposed by Section 144.005, Election Code.
Sec. 1105.054. QUALIFICATIONS FOR OFFICE. A person must at the time of election or appointment as director be:
(1) registered to vote in the district; and
(2) at least 18 years of age.

Sec. 1105.055. FILING OF OATH. The constitutional oath of office executed by a director must be filed in the district's office.

Sec. 1105.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.
(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, the county judge of Terry County may fill the vacancies by appointment.

Sec. 1105.057. OFFICERS. The board shall elect from among its members a president, a vice president, and a secretary.

Sec. 1105.058. COMPENSATION. A director is entitled to
compensation at a rate determined by the board. The rate may not exceed $10 for each board meeting.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.059. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.060. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and receive the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $10,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains any other condition the board requires.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1105.062. EMPLOYEES. The board may employ any nurses, technicians, and other lay personnel considered necessary for the efficient operation of the district or may provide that the district administrator has the authority to employ those persons.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.063. RECRUITMENT OF MEDICAL STAFF. (a) The board may spend district money to recruit physicians, nurses, or other trained medical personnel.

(b) The board may:

(1) contract with a full-time medical or nursing student who is enrolled and in good standing in an accredited school, college, or university; and

(2) agree to pay the student's tuition or other costs or expenses if the student agrees to serve in the district on terms prescribed by the contract.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.064. CONTINUING EDUCATION; RETRAINING. The board may spend district money for continuing education and retraining of employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.065. RETIREMENT PROGRAM. The board may enter into any contract or agreement with this state or the federal government that is required to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1105.066. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The board shall:

(1) keep an accurate account of all board meetings and proceedings; and

(2) maintain at the district's principal office all district records and accounts, including all contracts, notices, duplicate vouchers, and duplicate receipts.

(b) The information described by Subsection (a) shall be open to public inspection at the district's principal office at all reasonable times.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1105.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care of indigent persons; and

(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION AND DEBT. Terry County or a municipality in Terry County may not impose a tax or issue bonds or other obligations for hospital purposes or for medical care.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1105.104. HOSPITAL SYSTEM. The district shall provide for:

(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   (B) equipping the buildings; and

(2) the administration of the hospital system for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.107. RATES AND CHARGES. The board shall establish the rates and charges for:

(1) services;

(2) supplies; and

(3) the use of district facilities.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1105.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient to a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside Terry County for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the federal government is responsible.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.111. DISPOSITION OF REAL PROPERTY. The district may sell or otherwise dispose of real property on terms the board finds are in the best interest of the district.
Sec. 1105.112. PROVIDING OF CERTAIN HEALTH CARE SERVICES. The district may provide any appropriate health care services the board determines are necessary to meet the needs of the district, including:

(1) emergency medical services;
(2) home health care services;
(3) long-term care services;
(4) rehabilitation services; and
(5) fitness services.

Sec. 1105.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an indigent patient is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to their financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a
hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate order.

(f) A party to the dispute who is not satisfied with the order may appeal to the district court. The appeal shall be by trial de novo as that term is used in an appeal from a justice court to the county court.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.114. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1105.151. BUDGET. (a) The district administrator shall prepare for approval by the board an annual budget that corresponds to the district's fiscal year.

(b) Not later than August 31 of each year, the board shall publish notice of a public hearing on the proposed budget. The notice must be published in a newspaper of general circulation in Terry County at least 10 days before the date of the hearing.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.152. FISCAL YEAR. The district shall operate on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.153. AUDIT. (a) The district shall have an audit made of the district's financial condition.
(b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.154. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.155. DEPOSITORY. (a) The board shall designate one or more banks in Terry County to serve as a depository for district money.

(b) All district money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to an appropriate bank to pay the principal of and interest on the district's outstanding bonds, or other obligations assumed by the district, on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being designated as depository.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time
the loan is made if the board declares that:
   (1) money is not available to meet authorized obligations
       of the district; and
   (2) an emergency exists.
(b) To secure a loan, the board may pledge:
   (1) district revenue that is not pledged to pay the
       district's bonded indebtedness;
   (2) a district tax to be imposed by the district in the
       next 12-month period that is not pledged to pay the principal of or
       interest on district bonds; or
   (3) a district bond that has been authorized but not sold.
(c) A loan for which taxes or bonds are pledged must mature not
    later than the first anniversary of the date the loan is made. A
    loan for which district revenue is pledged must mature not later than
    the fifth anniversary of the date the loan is made.
(d) The board may not spend money obtained from a loan under
    this section for any purpose other than:
   (1) the purpose for which the board declared an emergency;
       and
   (2) if district taxes or bonds are pledged to pay the loan,
       the purposes for which the taxes were imposed or the bonds were
       authorized.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1105.201. GENERAL OBLIGATION BONDS. The board may issue
and sell general obligation bonds in the name and on the faith and
credit of the district for any purpose related to the purchase,
construction, acquisition, repair, or renovation of buildings or
improvements, and equipping buildings or improvements for a hospital
and the hospital system, as determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

Sec. 1105.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
the time general obligation bonds are issued by the district, the
board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of taxable property.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board shall call the election. The election must be held in accordance with Chapter 1251, Government Code.

(c) The bond election order must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding election officers;
(4) the amount of the bonds to be authorized;
(5) the maximum maturity of the bonds; and
(6) the maximum interest rate of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.204. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name and the board secretary shall attest the bonds as provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.205. REFUNDING BONDS. (a) District bonds may be issued without an election to refund any bonds issued or assumed by the district.
(b) A refunding bond may be:
   (1) sold, with the proceeds of the refunding bond applied to the payment of outstanding bonds; or
   (2) exchanged wholly or partly for not less than a similar principal amount of the outstanding bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.206. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
   (1) any bonds issued by the district;
   (2) the transfer of the bonds; and
   (3) bond revenue, including any profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1105.251. IMPOSITION OF AD VALOREM TAX. (a) The district may impose a tax on all taxable property in the district subject to district taxation.
   (b) The tax may be used to meet the requirements of:
       (1) district bonds;
       (2) indebtedness assumed by the district; and
       (3) district maintenance and operating expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1105.252. TAX RATE. The district may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1105.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Terry County shall assess and collect taxes imposed by the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1106. TEXHOMA MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1106.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Texhoma Memorial Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.002. AUTHORITY FOR OPERATION. The Texhoma Memorial Hospital District operates in accordance with Section 9, Article IX, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Texhoma Independent School District in Sherman County, as those boundaries existed as of January 1, 1967.
SUBCHAPTER B.  DISTRICT ADMINISTRATION

Sec. 1106.051.  BOARD; TERM.  (a)  The board consists of five elected directors.

(b)  Unless four-year terms are established under Section 285.081, Health and Safety Code, directors serve staggered two-year terms with the terms of two or three directors expiring each year as appropriate.

Sec. 1106.052.  NOTICE OF ELECTION.  At least 10 days before the date of a directors' election, notice of the election must be published one time in a newspaper of general circulation in the district.

Sec. 1106.053.  BALLOT PETITION.  A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action.  The petition must be:

(1)  signed by not less than 15 registered voters; and
(2)  filed by the deadline imposed by Section 144.005, Election Code.

Sec. 1106.054.  QUALIFICATIONS FOR OFFICE.  A person may not be appointed or elected a director unless the person:

(1)  is a resident of the district;
(2)  owns land in the district subject to taxation; and
(3) is at least 18 years of age at the time of the election or appointment.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.055. BOND NOT REQUIRED. A director is not required to post a public official's bond.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.057. OFFICERS. The board shall elect from among its members a president and a secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.058. COMPENSATION; EXPENSES. A director serves without compensation but is entitled to reimbursement for actual expenses incurred in the performance of official duties on approval of the expenses by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
Sec. 1106.059. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.060. EMPLOYEES. The board may employ a general manager, attorney, bookkeeper, architect, and any other employee considered necessary for the efficient operation of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. All district records, including books, accounts, notices, and minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and

(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.062. SEAL. The board may adopt a seal for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1106.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants and needy and indigent residents.
Sec. 1106.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION. Sherman County or any other political subdivision in the district may not impose a tax on property in the district for hospital purposes.

Sec. 1106.103. MANAGEMENT AND CONTROL OF DISTRICT. The management and control of the district are vested in the board.

Sec. 1106.104. HOSPITAL SYSTEM. The district shall provide for:

(1) the establishment of a hospital system to provide medical and hospital care to district residents by:

(A) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements; and

(B) equipping the buildings and improvements; and

(2) the administration of the hospital system for hospital purposes.

Sec. 1106.105. RULES. (a) The board may adopt rules governing the operation of the district and district facilities.

(b) The rules may, on approval by the board, be published in booklet form at district expense and made available to any taxpayer on request.
Sec. 1106.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:
   (1) all accounting and control procedures; and
   (2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory if the interest is necessary or convenient to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and
objectives of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.109. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR HOSPITAL AND MEDICAL CARE. (a) The board may enter into an agreement or contract with another political subdivision of this state that has boundaries contiguous to the district, on terms the board considers reasonable and proper, to provide medical and hospital care for residents of the other political subdivision.

(b) A contract or agreement entered into under this section must require the other political subdivision to pay for all medical and hospital care received by or provided to any resident of the other political subdivision if the person fails to pay for the medical and hospital services received by the resident.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the board determines that the patient or those relatives are liable to pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to their financial ability and may not exceed the actual per capita cost of maintenance.
(d) The district may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate order.

(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.111. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 1106.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:
   (1) proposed expenditures and disbursements;
   (2) estimated receipts and collections; and
   (3) the amount of taxes required to be imposed for the year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.
   (b) Notice of the hearing must be published at least once in a newspaper of general circulation in Sherman County not later than the 10th day before the date of the hearing.

Statute text rendered on: 6/18/2019
(c) Any district taxpayer is entitled to:
   (1) appear at the time and place designated in the notice; and
   (2) be heard regarding any item included in the proposed budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.153. FISCAL YEAR. The district's fiscal year begins on October 1 and ends on September 30.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.154. ANNUAL AUDIT. The board annually shall have an independent audit made of the district's books and records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in Sherman County as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.
   (b) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER E. BONDS**

Sec. 1106.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith of the district for any purpose relating to the purchase, construction, acquisition, repair, or renovation of buildings or improvements and equipping the buildings or improvements for hospital purposes.
Sec. 1106.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued under Section 1106.201 as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Sec. 1106.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting in an election held for that purpose.

(b) The board may order a bond election on its own motion.

(c) The order calling the election must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding election officers;
(4) the purpose for which the bonds are to be issued;
(5) the amount of the bonds to be authorized;
(6) the maximum interest rate of the bonds; and
(7) the maximum maturity date of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order in a newspaper of general circulation in the district once each week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Sec. 1106.204. MATURITY OF GENERAL OBLIGATION BONDS. District
general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Subchapter F. Taxes

Sec. 1106.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1106.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the budget, the board shall impose a tax on all taxable property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds issued by the district for hospital purposes as provided by this chapter;

(2) provide for the maintenance and operation of the district and hospital system;

(3) make improvements and additions to the hospital system; and

(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1106.252. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
CHAPTER 1107. TITUS COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1107.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of hospital managers of the district.
(2) "District" means the Titus County Hospital District.
(3) "Manager" means a member of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.002. AUTHORITY FOR OPERATION. The Titus County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the powers and responsibilities provided by that section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.003. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Titus County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1107.051. BOARD ELECTION; TERM. (a) The board consists of seven voting managers and one nonvoting manager as follows:
(1) one voting manager elected from each commissioners precinct of Titus County;
(2) three voting managers elected from the district at large; and
(3) the chief of the medical staff of the district's principal hospital serving as a nonvoting ex officio manager.

(b) The election order must provide for clerks as in county elections and must specify:
(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judges for each polling place; and
(4) the form of the ballot.

(c) The board shall declare the results of the election.
(d) Voting managers serve staggered four-year terms.
(e) An election shall be held on the uniform election date in May, or another date authorized by law, of each even-numbered year to elect the appropriate number of voting managers.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.052. NOTICE OF ELECTION. (a) The board shall give notice of an election of managers by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear at least 30 days before the date set for the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.053. BALLOT PETITION. A person seeking to have the person's name printed on the ballot as a candidate for manager must file with the board secretary a petition requesting that action. The petition must:

(1) be signed by at least 10 registered voters who reside in the district;
(2) be filed by the deadline imposed by Section 144.005, Election Code; and
(3) specify the commissioners precinct the candidate seeks to represent or specify that the candidate seeks to represent the district at large.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1107.054. QUALIFICATIONS FOR CANDIDACY. (a) A candidate for manager must be a resident of the district.

(b) A candidate for a commissioners precinct must be a resident of that commissioners precinct.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.055. BOARD VACANCY. If a vacancy occurs in the office of manager, other than the ex officio manager, the remaining managers shall appoint a manager for the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.056. NONATTENDANCE. The failure of a manager to attend three consecutive regular board meetings causes a vacancy in the manager's office unless the absence is excused by formal action of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.057. OFFICERS. (a) The board shall select from among the managers a presiding officer, who shall preside over the board.

(b) A presiding officer pro tem shall preside in the absence of the presiding officer.

(c) The district administrator or any manager may be appointed secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.058. COMPENSATION. A manager serves without compensation, but the board may establish a system and set the amount of meeting fees for attending board or committee meetings.
Sec. 1107.059. LIABILITY INSURANCE. The board may purchase and provide the managers with liability insurance the board considers necessary or advisable to protect the managers from risks that might result from serving on the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.060. QUORUM; VOTING REQUIREMENT. (a) Four managers, not including the ex officio manager, constitute a quorum.

(b) A concurrence of a majority of the voting managers present is required in any matter relating to district business.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.061. RECORDS OF PROCEEDINGS. (a) The board shall require the secretary to keep suitable records of all proceedings of each board meeting.

(b) After each meeting:
   (1) the manager presiding at the meeting shall read and sign the record; and
   (2) the secretary shall attest the record.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.062. PERSONNEL MATTERS; CLOSED MEETING. A member or prospective member of the medical staff or a person who serves or is being considered for a position as a medical director of services or departments in the district is a public officer or employee for purposes of Section 551.074, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1107.063. DISTRICT ADMINISTRATOR. (a) The board shall appoint under terms prescribed by the board a general manager qualified by training and experience as the district administrator. (b) The district administrator shall receive the compensation determined by the board. (c) The board may remove the district administrator at any time. (d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount of not less than $10,000 that: (1) is conditioned on the administrator performing well and faithfully the administrator's required duties; and (2) contains any other condition the board requires.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.064. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator shall: (1) perform the duties required by the board; (2) supervise the work and activities of the district; and (3) direct the affairs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.065. ASSISTANT TO DISTRICT ADMINISTRATOR. (a) The board may designate an assistant to the district administrator to discharge a duty or function of the administrator in the event of the administrator's incapacity, absence, or inability to discharge the duty or function. (b) The assistant shall post bond and is subject to the limitations prescribed by board order.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1107.066. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may employ under terms prescribed by the board any employees as considered advisable for the efficient operation of the hospital or hospital system.

(b) The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as the district's medical staff or employees, including:

(1) advertising and marketing;
(2) paying travel, recruitment, and relocation expenses; and

(3) allowing a physician to use space in a district facility or paying the physician a rent subsidy until not later than the first anniversary of the date the physician is first admitted to the district's medical staff.

(c) The district may provide a loan or scholarship to a person who:

(1) is enrolled in health care education courses; and
(2) contractually agrees to practice in or become employed by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.067. HEALTH CARE EDUCATIONAL PROGRAMS. The board may spend district money, enter into agreements, and take other necessary action to conduct, participate in, or assist health care educational programs for staff members or employees or potential staff members or employees.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.068. LEGAL COUNSEL. (a) The appropriate county, district, or criminal district attorney charged with representing Titus County in civil matters shall represent the district in all
legal matters.

(b) The district shall contribute sufficient money to the Titus County general fund for the account designated for the appropriate attorney described in Subsection (a) to pay all additional salaries and expenses incurred by the attorney in performing the duties required by the district.

(c) The board may employ additional legal counsel the board considers advisable.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.069. RETIREMENT PROGRAM. The board may:
(1) contract with this state or the federal government as necessary to establish or continue a retirement program for the benefit of district employees; or
(2) establish other retirement programs for the benefit of district employees as the board considers necessary and advisable.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.070. SEAL. The board shall have a seal engraved with the district's name to authenticate the acts of the board. The board secretary shall keep the seal.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1107.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1107.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Titus County or a municipality in the county may not impose a tax for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospital or hospital system.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.104. RULES. The board may adopt rules for the operation of the hospital or hospital system.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.105. PURCHASING AND ACCOUNTING. (a) The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

(b) The district shall pay the salaries and expenses necessarily incurred by the board or by an officer or agent of the board in performing a duty prescribed or required by this chapter.

(c) An officer, employee, or agent of the board shall perform any function or service prescribed by the board under this section or Section 1107.152.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.106. DISTRICT FACILITIES. The board may:

(1) purchase or build facilities for medical purposes; and
(2) rent the facilities or space in the facilities at a rate sufficient to cover the district's cost.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.107. PROMOTION OF DISTRICT SERVICES. The board may market or advertise to promote district services, the orderly operation of the district, and the appropriate delivery of health care in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(2) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or provisions prescribed in writing by the donor that are not
inconsistent with the proper management and objectives of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board may contract with:

(1) any county for the care and treatment of a sick or injured person of that county; and

(2) this state or a federal agency for the care and treatment of a sick or injured person for whom the state or agency is responsible.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.111. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient from Titus County is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to their financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in
the mind of the district administrator, the county court shall hold a
hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate orders.
   (f) Either party to the dispute may appeal the order to the
district court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

   Sec. 1107.112. AUTHORITY TO SUE AND BE SUED. The board may sue
and be sued.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1107.151. BUDGET. (a) The district administrator, under
the direction of the board, shall prepare an annual budget.
   (b) The budget must be approved by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1107.152. ANNUAL AUDIT. As soon as practicable after the
close of each fiscal year, the board shall have an audit made of the
district's books and records for the fiscal year by an independent
public accountant.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1107.153. FINANCIAL REPORT. (a) As soon as practicable
after the close of each fiscal year, the district administrator shall
prepare a report that includes:
   (1) a complete sworn statement of:
      (A) all money and choses in action received by the
administrator; and

(B) how the money and choses in action were disbursed
or otherwise disposed; and

(2) the details of district operation during the preceding
fiscal year.

(b) The district administrator shall make the report to:

(1) the board; and

(2) the Titus County Commissioners Court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.154. DEPOSITORY. (a) After advertising in the
manner provided by Chapter 252 and Subchapter C, Chapter 262, Local
Government Code, the board shall choose by competitive bidding at
least one bank to serve as depository for district money.

(b) All income received by the district shall be deposited in
the district depository.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.155. WARRANTS. A warrant against district money does
not require the signature of the county clerk of Titus County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER E. BONDS

Sec. 1107.201. BONDS. The board may issue and sell bonds as
district obligations for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or
renovation of buildings and improvements; and

(2) equipping buildings and improvements for hospital
purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1107.202. TAX TO PAY BONDS. (a) An ad valorem tax shall be imposed at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on bonds issued under Section 1107.201 as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.203. BOND ELECTION. The district may issue bonds only if the bonds are authorized by a majority of the district voters voting at an election called by the board and held in accordance with the provisions of Chapter 1251, Government Code, relating to county bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.204. REFUNDING BONDS. (a) District refunding bonds may be issued without an election and in the manner provided by this subchapter to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of outstanding bonds; or

(2) exchanged wholly or partly for not less than a similar amount of outstanding bonds and the unpaid matured interest on the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.205. EXECUTION OF BONDS. The board's presiding officer shall execute the district's bonds in the district's name and
the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER F. TAXES**

Sec. 1107.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds assumed or issued by the district for hospital purposes as provided by this chapter;

(2) provide for the operation and maintenance of the hospital or hospital system; and

(3) make improvements and additions to the hospital system and acquire necessary sites for improvements and additions by purchase, lease, or condemnation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.252. TAX RATE. The board shall impose the tax at a rate not to exceed 75 cents on each $100 valuation of all property in the district subject to district taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1107.253. COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. Unless the board elects to have district taxes assessed and collected by its own tax assessor-collector under Section 1107.254, the tax assessor-collector of Titus County shall assess and collect taxes imposed by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1107.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to employ a tax assessor-collector to assess and collect district taxes by adopting an appropriate resolution before December 1 of any year. The election remains in effect until revoked by a resolution adopted by the board.

(b) The district tax assessor-collector must reside in the district.

(c) The board shall set the term of employment and compensation for the district tax assessor-collector.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

CHAPTER 1108. TRINITY MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1108.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Trinity Memorial Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.002. AUTHORITY FOR OPERATION. The Trinity Memorial Hospital District operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.
Sec. 1108.004. DISTRICT TERRITORY. The district is composed of the territory in Trinity County described by Section 2, Chapter 265, Acts of the 67th Legislature, Regular Session, 1981.

Sec. 1108.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Sec. 1108.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1108.051. BOARD ELECTION; TERM. (a) The board consists of nine directors elected by place.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code, directors serve staggered two-year terms with the terms of four or five directors expiring each year as appropriate.

Sec. 1108.052. NOTICE OF ELECTION. At least 30 days before the
date of a directors' election, notice of the election must be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must:

(1) be signed by at least 10 voters in the district;
(2) be filed by the deadline imposed by Section 144.005, Election Code; and
(3) specify the place for which the person is to be a candidate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) at least 18 years of age;
(2) a resident of the district; and
(3) a qualified voter.

(b) A person elected or appointed to fill Place 1 or 3 on the board must also be a resident of the portion of Commissioners Precinct 1 or 3, respectively, that lies within the district.

(c) A person is not eligible to serve as a director if the person is:

(1) the district administrator; or
(2) a district employee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall fill the vacancy
for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.056. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.
(b) Each officer of the board serves a one-year term.
(c) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.058. QUORUM; VOTING REQUIREMENT. (a) Any five directors constitute a quorum.
(b) A concurrence of five directors is sufficient in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.004(a), eff. September 1, 2013.
Sec. 1108.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.
(b) The district administrator serves at the will of the board and is entitled to receive the compensation determined by the board.
(c) Before assuming the duties of district administrator, the administrator must execute a bond in the amount set by the board of not less than $5,000 that:
(1) is conditioned on the administrator performing the administrator's required duties; and
(2) contains any other condition the board requires.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as:
(1) the assistant district administrator; and
(2) the attorney for the district.
(b) The assistant district administrator and the attorney serve at the will of the board and are entitled to receive the compensation determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.062. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as warranted.
(b) The district may employ fiscal agents, accountants, architects, and additional attorneys as the board considers proper.

(c) The board may delegate to the district administrator the authority to employ district employees, including technicians and nurses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1108.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities and for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.103. HOSPITAL SYSTEM; MOBILE EMERGENCY MEDICAL
SERVICES.  (a) The district shall provide for:
   (1) the establishment of a hospital system and the provision of emergency medical services by:
      (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
      (B) equipping the buildings; and
   (2) the administration of the hospital system for hospital purposes.
   (b) The hospital system may include any facilities and equipment the board considers necessary for hospital care.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.104. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
   (1) the method and manner of making purchases and expenditures by and for the district; and
   (2) all accounting and control procedures.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.  (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.
   (b) The board may lease all or part of the district's facilities on terms considered to be in the best interest of the district's inhabitants.
   (c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as...
security for the payment of the purchase price.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient to a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.108. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, electric transmission, telegraph or telephone line, conduit, pole, or facility, or pipeline, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.
Sec. 1108.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are consistent with the proper management and objectives of the district.

Sec. 1108.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than $10,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.

Sec. 1108.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Sec. 1108.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide mobile emergency medical services and investigatory or other services as to facilities for the medical care, hospital, or welfare needs of district inhabitants.
Sec. 1108.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay for all or part of the care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to their financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall:

(1) call witnesses;
(2) hear and resolve the dispute or doubt; and
(3) issue a final order.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.114. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county or municipality located outside the district to reimburse the district for the care and treatment of a sick or injured person of that county or municipality.

(b) The board shall require the sheriff of Trinity County to reimburse the district for the care and treatment of a prisoner imprisoned in Trinity County who is not a district resident.
(c) The district may contract with this state or a federal agency for the reimbursement for the treatment of a sick or injured person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.115. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1108.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand to the credit of each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the budget; and
(7) the estimated tax rate required.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing must be published one time in a newspaper with general circulation in the district.
(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall act on the budget as proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and the law warrants. The budget must be approved by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that district revenue bonds are outstanding; or

(2) more than once in any 24-month period.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.
Sec. 1108.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Sec. 1108.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of that money.

Sec. 1108.159. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1108.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

Sec. 1108.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Section 1108.106(c) and by Subchapter E, the district may not incur an obligation payable from district revenue
other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER E. BONDS**

Sec. 1108.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements;

(2) equipping buildings or improvements for hospital purposes; and

(3) the acquisition and operation of mobile emergency medical services to assist the district in carrying out its hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district subject to hospital district taxation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.203. GENERAL OBLIGATION BOND ELECTION. (a) The
district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The board, in ordering a bond election, must provide for clerks as in county elections and must specify:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the presiding and alternate election judges for each polling place;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(d) Section 41.001(a), Election Code, does not apply to an election held under this section.

(e) The board shall declare the results of the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.204. REVENUE BONDS. (a) The board may issue revenue bonds to:
   (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;
   (2) acquire and operate mobile emergency medical services to assist the district in carrying out its hospital purposes; and
   (3) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of district revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1108.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.
(b) A refunding bond may be:
   (1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or
   (2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.206. MATURITY OF BONDS. District bonds must mature not later than 40 years after their date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.207. EXECUTION OF BONDS. The board president shall execute the district's bonds in the district's name, and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:
(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) any profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER F. TAXES**
Sec. 1108.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to pay:
(1) indebtedness issued or assumed by the district; and
(2) district maintenance and operating expenses.
(c) The board may not impose a tax to pay the principal of or interest on revenue bonds issued under Section 1108.204.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district subject to district taxation.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1108.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by Title 1, Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1109. TYLER COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 1109.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of hospital managers of the district.
(2) "Commissioners court" means the Commissioners Court of Tyler County.
(3) "District" means the Tyler County Hospital District.
(4) "Manager" means a member of the board.
Sec. 1109.002. AUTHORITY FOR OPERATION. The Tyler County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the powers and responsibilities provided by that section.

Sec. 1109.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Sec. 1109.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Tyler County.

Subchapter B. District Administration

Sec. 1109.051. BOARD APPOINTMENT; TERM. (a) The board consists of:

(1) six managers appointed by the commissioners court; and
(2) the county judge of Tyler County as an ex officio manager.

(b) Appointed managers serve two-year terms. The terms may overlap.

Sec. 1109.052. QUALIFICATIONS FOR OFFICE. (a) To serve as a
manager, a person must be a resident and qualified voter of the district.

  (b) A district employee may not serve as a manager.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.053. BOARD VACANCY. The commissioners court shall fill a vacancy on the board by appointment.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.054. NONATTENDANCE. The failure of a manager to attend three consecutive regular board meetings causes a vacancy in the manager's office unless the absence is excused by formal action of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.055. OFFICERS. (a) The board shall elect from among its members a president, who shall preside, and a vice president, who shall preside in the president's absence.

  (b) The board shall appoint a secretary, who need not be a manager.

  (c) Each officer serves a one-year term.

  (d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.056. COMPENSATION; EXPENSES. A manager serves without compensation but may be reimbursed for actual and necessary travel and other expenses incurred in the performance of the manager's duties as determined by the board. The reimbursed expenses
must be reported in the district's records.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.057. DISTRICT ADMINISTRATOR. (a) The board may appoint a person qualified by training and experience as district administrator.

(b) The district administrator serves at the will of the board and receives compensation as may be determined by the board.

(c) The board may require the district administrator, before assuming the administrator's duties, to execute a bond payable to the district in an amount set by the board of not less than $5,000 that:
   (1) is conditioned on the faithful performance of the administrator's duties; and
   (2) contains other conditions the board may require.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.058. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator shall:

   (1) perform the duties required by the board;
   (2) supervise the work and activities of the district; and
   (3) direct the affairs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.059. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint an assistant district administrator and an attorney.

(b) The assistant district administrator and the attorney serve at the will of the board and receive compensation as may be determined by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1109.060. APPOINTMENT AND REMOVAL OF STAFF AND EMPLOYEES.  
(a) The board may appoint to and remove from the staff any doctors and employ any other employees considered advisable for the efficient operation of the district's hospital or hospital system.  
(b) The board may delegate to the district administrator the authority to hire employees.  
(c) The board may spend district money to recruit physicians, nurses, and other trained medical personnel. The board may pay the tuition or other expenses of a full-time medical student or other student in a health occupation who:  
(1) is enrolled in and is in good standing at an accredited medical school, college, or university; and  
(2) contractually agrees to become a district employee or independent contractor in return for that assistance.  

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.061. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:  
(1) establishing or administering a retirement program; or  
(2) participating in:  
(A) the Texas County and District Retirement System; or  
(B) another statewide retirement system in which the district is eligible to participate.  

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.062. SEAL. The board shall have a seal engraved with the district's name to authenticate the acts of the board. The board secretary shall keep the seal.  

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 1109.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Tyler County or a municipality in the county may not impose a tax for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer:

(1) the district's hospital or hospital system; and

(2) the district's business, funds, and resources.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.104. HOSPITAL OR HOSPITAL SYSTEM. (a) The district shall provide for the establishment, administration, maintenance, operation, and financing of a hospital or hospital system in the district.

(b) The district may provide any services or facilities necessary for hospital or medical care, including:

(1) rural health clinics;
(2) outpatient clinics;
(3) nursing homes;
(4) home health care agencies;
(5) extended care facilities;
(6) assisted living or personal care facilities; and
(7) retirement, housing, and medical office buildings.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1109.105. RULES. The board may adopt rules for the operation of the hospital or hospital system.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.106. PURCHASING AND ACCOUNTING. (a) The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and
(2) all accounting and control procedures.

(b) The district shall pay the salaries and expenses necessarily incurred by the board or by an officer or agent of the board in performing a duty prescribed or required by this section or Section 1109.155.

(c) An officer, employee, or agent of the board shall perform any function or service prescribed by the board under this section or Section 1109.155.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.

(b) The board may:

(1) acquire by purchase or lease property, including facilities and equipment, for the district to use in the hospital system; and
(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease district hospital facilities to or from individuals, companies, corporations, or other legal entities.

(d) The board may sell or otherwise dispose of property,
including facilities and equipment.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as required by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(2) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.110. CONSTRUCTION CONTRACTS. The board may enter into construction contracts for the district.
Sec. 1109.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility.

Sec. 1109.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board, with the approval of the commissioners court, may contract with:

(1) any county for the care and treatment of a sick or injured person of that county; and

(2) this state or a federal agency for the care and treatment of a sick or injured person for whom the state or agency is responsible.

Sec. 1109.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator shall have an inquiry made into the financial circumstances of:

(1) the patient; and

(2) the patient's relatives legally responsible for the patient's support.

(b) The district without charge shall provide to a patient who resides in the district the care and treatment for which the patient or those relatives cannot pay.

(c) If the district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(d) If the district administrator determines that the patient or those relatives can pay for all or part of the care and treatment
provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or those relatives to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(e) The district administrator may collect the amount from the patient's estate, or from any relative legally responsible for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator concerning the ability to pay, the county court shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate order.

(g) Either party to the dispute may appeal the order to the district court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.114. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care or treatment of a sick or injured person for whom that county, municipality, or public hospital has an obligation to provide care, as provided by Chapter 61, Health and Safety Code.

(b) The board shall seek reimbursement under Article 104.002, Code of Criminal Procedure, for the district's care or treatment of a person who is confined in a Tyler County jail facility and is not a district resident.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.115. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued.
Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 1109.151. BUDGET. (a) The district administrator, under the direction of the board, shall prepare a proposed annual budget.

(b) The budget must be approved by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall publish notice of a public hearing on the proposed annual budget. The notice must be published in a newspaper of general circulation in the district one time before the 10th day before the 10th day before the date of the hearing.

(b) The board shall adopt a budget by acting on the budget proposed by the district administrator.

(c) The budget is effective only after adoption by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.153. AMENDMENTS TO BUDGET. The budget may be amended on the board's approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.154. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) when revenue bonds are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1109.155. ANNUAL AUDIT. As soon as practicable after the close of each fiscal year, the board shall have an audit made of the district's financial condition for the fiscal year by an independent public accountant.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.156. FINANCIAL REPORT. (a) As soon as practicable after the close of each fiscal year, the district administrator shall prepare a report that includes:

(1) a complete sworn statement of:
   (A) all money and choses in action received by the administrator; and
   (B) how the money and choses in action were disbursed or otherwise disposed; and
(2) the details of district operation during the preceding fiscal year.

(b) The district administrator shall make the report to:
(1) the board; and
(2) the commissioners court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.157. DEPOSITORY. Every two years, the board shall select a depository for the district to secure all district money in the manner provided for securing county funds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.158. INVESTMENTS. The board may purchase, sell, and invest district funds in investments authorized by Chapter 2256, Government Code.
Sec. 1109.159. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board declares that:

(1) money is not available to meet authorized obligations of the district; and

(2) an emergency exists.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) a district bond that has been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) The board may not spend money obtained from a loan under this section for any purpose other than:

(1) the purpose for which the board declared an emergency; and

(2) if district taxes or bonds are pledged to pay the loan, the purposes for which the taxes were imposed or the bonds were authorized.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER E. BONDS

Sec. 1109.201. GENERAL OBLIGATION BONDS. The commissioners court may issue and sell general obligation bonds of the district for any purpose relating to:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements;
(2) equipping buildings and improvements;
(3) acquiring or operating a mobile emergency medical service; and
(4) hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) An ad
valorem tax shall be imposed at a rate sufficient to create an
interest and sinking fund to pay the principal of and interest on
bonds issued under Section 1109.201 as the bonds mature.

(b) The tax required by this section together with any other ad
valorem tax imposed for the district may not in any year exceed 75
cents on each $100 valuation of all taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.203. GENERAL OBLIGATION BOND ELECTION. (a) The
district may issue general obligation bonds only if the bonds are
authorized by a majority of the district voters voting at an election
held in accordance with the provisions of Chapter 1251, Government
Code, relating to county bonds.

(b) The commissioners court:
(1) may call the election on its own motion; or
(2) shall call the election at the request of the board.

(c) The cost of the bond election is a charge on the district,
and the district must provide for the payment of the bond election
costs before the commissioners court is required to order an
election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The
county judge of Tyler County shall execute the general obligation
bonds in the district's name.
(b) The county clerk of Tyler County shall countersign the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.205. REVENUE BONDS. (a) The district may issue revenue bonds to:

(1) purchase, construct, acquire, repair, or renovate buildings and improvements;
(2) equip buildings and improvements for the hospital or hospital system;
(3) acquire sites to be used for hospital purposes; or
(4) acquire and operate a mobile emergency medical service to assist the district in carrying out its purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.


Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.206. REFUNDING BONDS. (a) The district may, without an election, issue refunding bonds to refund any bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding bonds; or
(2) exchanged wholly or partly for not less than a similar principal amount of the outstanding bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1109.207. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.208. EXECUTION OF BONDS. The board president shall execute district bonds in the district's name, and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.209. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER F. TAXES**

Sec. 1109.251. IMPOSITION OF AD VALOREM TAX. (a) The commissioners court shall impose a tax for the benefit of the district on all property in the district subject to district taxation.

(b) The commissioners court shall impose the tax to:

(1) pay the interest on and create a sinking fund for general obligation bonds assumed or issued by the district for hospital purposes as provided by this chapter;
(2) provide for the operation and maintenance of the hospital or hospital system; and
(3) when requested by the board and approved by the commissioners court, make improvements and additions to the hospital system, and acquire necessary sites for the hospital system by
purchase, lease, or condemnation.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.252. TAX RATE. The commissioners court shall impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER G. DISSOLUTION

Sec. 1109.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered district voters.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.
(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of notice must appear before the 35th day before the date set for the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Tyler County Hospital District."

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.304. ELECTION RESULTS. (a) If a majority of the district voters favor dissolution, the board shall find that the district is dissolved.

(b) If the board finds that the election results do not favor the proposition to dissolve the district, another dissolution election may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the district voters favor dissolution, the board shall:
(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Tyler County or another governmental entity in Tyler County; or

(2) administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) Notwithstanding any other provision of this subchapter, the district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of the district's assets or liabilities may not:

(1) contravene a trust indenture or bond resolution relating to the district's outstanding bonds; or

(2) diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(d) The district may transfer or dispose of the district's assets only for due compensation, unless the transfer is made to another governmental agency embracing the district and using the transferred assets for the benefit of residents formerly in the district.

(e) A grant from federal funds is an obligation to be repaid in satisfaction.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1109.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and
(2) impose on the property included in the district's tax roll a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the board secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the board secretary to transmit the money to the Tyler County tax assessor-collector.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1109.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the commissioners court summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the commissioners court receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order:

(1) dissolving the district; and
(2) disbanding and releasing the board from any further duty or obligation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

CHAPTER 1110. VAL VERDE COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1110.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.
(3) "District" means the Val Verde County Hospital District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.002. AUTHORITY FOR OPERATION. The Val Verde County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by that section and this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Val Verde County, Texas.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1110.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1110.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected as follows:

(1) one director elected from each county commissioners precinct; and

(2) three directors elected from the district at large.

(b) A district voter may vote on the directors to be elected at large and on the director to be elected from the precinct in which the voter resides.

(c) On the May uniform election date of each even-numbered year or another date authorized by law, the appropriate number of directors shall be elected.

(d) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.052. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) at least 18 years of age at the time of the appointment or election;

(2) a resident of the district; and

(3) a qualified voter.

(b) A director who represents a county commissioners precinct
must be a resident of that precinct.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.053. EX OFFICIO DIRECTOR. The chief of staff may serve as an ex officio director without the right to vote as a director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.054. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 10 registered voters; and
(2) filed by the deadline imposed by Section 144.005, Election Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.055. NOTICE OF ELECTION. At least 10 days before the date of a directors' election, notice of the election shall be published one time in a newspaper of general circulation in Val Verde County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.
(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors
do not call the election, a district court, on application of a
district voter or taxpayer, may order the directors to hold the
election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.057. OFFICERS. The board shall elect from among its
members a president and secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.058. COMPENSATION. A director serves without
compensation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.059. BOND; RECORD OF BOND AND OATH. (a) Each director
shall execute a good and sufficient bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the
director's duties.
(b) Each director's bond and constitutional oath of office must
be deposited with the district's depository bank for safekeeping.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.060. VOTING REQUIREMENT. A concurrence of four
directors is sufficient in any matter relating to district business.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1110.061. BOARD MEETINGS. (a) A board meeting may be called by the president or any four directors.

(b) Notice of the time and place of a board meeting must be given to each director at least 72 hours before the time of the meeting.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.062. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The administrator and assistant administrator, if any, serve at the will of the board and shall receive the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $5,000 that:

1. is conditioned on the administrator performing the administrator's duties; and
2. contains any other condition the board requires.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.063. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator shall:

1. supervise the work and activities of the district; and
2. direct the affairs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.064. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make
temporary appointments as warranted.

(b) The district may employ fiscal agents, accountants, architects, and attorneys as the board considers proper.

(c) The board may delegate to the district administrator the authority to employ technicians, nurses, and district employees.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.065. SENIORITY; RETIREMENT BENEFITS. The board may:

(1) adopt rules relating to the seniority of district employees, including rules for a retirement plan based on seniority; and

(2) give effect to previous years of service for those employees continuously employed in the operation or management of hospital facilities:

(A) constructed by the district; or

(B) acquired by the district, including facilities acquired when the district was created because of former Section 2, Chapter 658, Acts of the 64th Legislature, Regular Session, 1975.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1110.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing hospital care for the district's indigent residents.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1110.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and all the district's money and resources.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.104. HOSPITAL SYSTEM. The district shall provide for:

(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   (B) equipping the buildings; and

(2) the administration of the hospital system for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.106. PURCHASING AND ACCOUNTING. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1110.107. OPERATING, MANAGEMENT, OR CONSULTING CONTRACTS.  
(a) The board may enter into an operating, management, or consulting contract with respect to all or part of the district's facilities. The contract must provide that the board retains responsibility for and control of the district's operation.  
(b) A company providing services to the district under the contract, and the officers, directors, and employees of the company, while performing services under the contract for benefit of the district:
   (1) are employees of the district solely for purposes of the immunity or liability of the company and the company's officers, directors, and employees; and
   (2) have immunity or limited liability under laws applicable to district employees, whether statutory or common law, to the extent a district employee would be entitled to immunity or limited liability under the same circumstances.  
Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.  

Sec. 1110.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.  
(a) The board may lease all or part of the district's property, including facilities or equipment, on terms the board considers to be in the best interest of the district's residents. The term of the lease may not exceed 25 years from the date entered.  
(b) The board may:
   (1) lease or acquire property, including facilities or equipment, for the use of the district; and
   (2) mortgage or pledge the property as security for the payment of the purchase price.  
(c) The board may sell or otherwise dispose of property, including facilities or equipment, for the district. Sale or other disposal under this subsection must be at a public sale and at a price and on terms the board determines are most advantageous to the district.  
(d) The board may donate to another governmental entity or to a charitable organization any surplus personal property or equipment if the donation serves a public purpose and is accompanied by adequate consideration.
Sec. 1110.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, and other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.110. CONSTRUCTION AND PURCHASE CONTRACTS. (a) A construction contract that involves the expenditure of more than $50,000 shall be procured in the manner provided by Subchapter B, Chapter 271, Local Government Code.

(b) A contract for a purchase that involves the expenditure of more than $50,000, other than a contract subject to Subchapter B, Chapter 271, Local Government Code, or Chapter 2253, Government Code, shall be procured in the manner provided by Subchapter C, Chapter 262, Local Government Code.

(c) The provisions of Chapter 2253, Government Code, relating to performance and payment bonds, apply to construction contracts let by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board may contract with:

(1) any county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality; and

(2) this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1110.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services as to the hospital or welfare needs of district inhabitants.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to their financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district
court. The substantial evidence rule applies to the appeal.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.114. FEE SCHEDULE FOR OUT-OF-DISTRICT RESIDENTS. The board may adopt a fee schedule for services rendered to out-of-district residents which may be different from the fee schedule for services rendered to district residents.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.115. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.

(b) The district is entitled to all causes of action and defenses to which similar authorities performing only governmental functions are entitled.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1110.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand to the credit of each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the proposed budget;
(7) the estimated tax rate required; and
(8) the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.152. PROPOSED BUDGET: NOTICE AND HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively provide general circulation in the district.

(c) Any property tax payer of the district is entitled to be present and participate at the hearing in accordance with the rules of decorum and procedures prescribed by the board.

(d) At the conclusion of the hearing, the board shall act on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges the law warrants and the interests of the taxpayers demand. The board must approve the annual budget.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.153. AMENDMENTS TO BUDGET. The annual budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1110.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.
   (b) The fiscal year may not be changed more than once in any 24-month period.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.156. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's financial condition for the fiscal year.
   (b) As soon as the audit is completed, the audit shall be filed at the district's office.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:
   (1) a complete sworn statement of all district money; and
   (2) a complete account of the disbursement of that money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.159. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository
for district money.

(b) District money, other than money invested as provided by Section 1110.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to:
   (1) place a part of district money on time deposit; or
   (2) purchase certificates of deposit.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1110.108(b) and Sections 1110.201-1110.207, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building fund reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER E. BONDS

Sec. 1110.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:
   (1) constructing, acquiring, repairing, or renovating buildings and improvements; and
   (2) equipping buildings and improvements for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1110.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1110.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the bond election must provide for clerks as in county elections and must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding and alternate election judges for each polling place;
(4) the amount of the bonds to be authorized;
(5) the maximum interest rate of the bonds; and
(6) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.204. REVENUE BONDS. (a) The board may issue revenue bonds to purchase, construct, acquire, repair, renovate, or equip buildings and improvements for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the district revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed
of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:
   (1) sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness; or
   (2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.206. MATURITY OF BONDS. District bonds must mature not later than 40 years after their date of issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.207. EXECUTION OF BONDS. The board president shall execute the district's bonds in the district's name and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this
(1) any bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) any profits made in the sale of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER F. TAXES**

Sec. 1110.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax for the benefit of the district to:
- pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes as provided by this chapter;
- pay indebtedness incurred or assumed by the district;
- provide for the operation and maintenance of the district and hospital system; and
- make improvements and additions to the hospital system.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 30 cents on each $100 valuation of all taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**CHAPTER 1111. WALKER COUNTY HOSPITAL DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 1111.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of hospital managers of the
district.

(2) "District" means the Walker County Hospital District of Walker County, Texas.

(3) "Manager" means a member of the board. (New.)

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.002. AUTHORITY FOR CREATION. The Walker County Hospital District of Walker County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Walker County, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
OBLIGATION. The support and maintenance of the district's hospital system may not become a charge against or obligation of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1111.051. BOARD ELECTION; TERM. (a) The board consists of five elected managers.  
(b) Unless four-year terms are established under Section 285.081, Health and Safety Code, managers serve staggered two-year terms with the terms of two or three managers expiring each year as appropriate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.052. NOTICE OF ELECTION. At least 10 days before the date of a managers' election, notice of the election must be published one time in a newspaper of general circulation in Walker County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.053. REQUEST TO APPEAR ON BALLOT. A person who wants to have the person's name printed on the ballot as a candidate for manager must file a written request with the board secretary. The request must be:  
(1) signed by at least 20 district voters; and  
(2) filed by the deadline imposed by Section 144.005, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.054. QUALIFICATIONS FOR OFFICE. A person may not
serve as a manager unless the person is:
(1) a resident of the district; and
(2) at least 18 years of age.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.055. BOND; RECORD OF BOND AND OATH. (a) Each manager shall execute a good and sufficient bond for $5,000 that is:
(1) approved by the board;
(2) payable to the district; and
(3) conditioned on the faithful performance of the manager's duties.
(b) Each manager's bond and constitutional oath of office must be kept in the district's permanent records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.056. OFFICERS. (a) The board shall select from among the managers a presiding officer.
(b) A presiding officer pro tem shall preside in the absence of the presiding officer.
(c) The district administrator or any manager may be appointed secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.057. OFFICE; MEETINGS. (a) The board:
(1) shall establish an office and meeting place in the district;
(2) shall establish regular meetings to conduct district business; and
(3) may hold special meetings at other times as district business requires.
(b) Except as provided by this section, Chapter 551, Government Code, applies to board meetings.
(c) If there is an emergency or urgent public necessity, posting of notice of a board meeting is not required.

(d) Failure to post notice does not affect the validity of an action taken at a regular board meeting. Failure to post notice may affect the validity of an action taken at a special meeting unless the board declares, by an action taken at the special meeting, that an emergency exists.

(e) Any interested person may attend a board meeting.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.058. RECORDS OF PROCEEDINGS. (a) The board shall require the board secretary to keep suitable records of all proceedings of each board meeting.

(b) After each meeting:
   (1) the manager presiding at the meeting shall read and sign the record; and
   (2) the board secretary shall attest the record.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and receives the compensation determined by the board.

(c) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount of not less than $10,000 that:
   (1) is conditioned on the administrator performing well and faithfully the administrator's required duties; and
   (2) contains any other condition the board requires.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to any limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.061. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may:

(1) appoint to the staff any doctors and employ any technicians, nurses, and other employees considered necessary for the efficient operation of the district; and
(2) provide that the district administrator has the authority to employ district employees, including technicians and nurses.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.062. RETIREMENT PROGRAM. The board may contract with this state or the federal government as necessary to establish or continue a retirement program for the benefit of district employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.063. SEAL. The board shall have a seal engraved with the district's name to authenticate the board's acts. The board secretary shall keep the seal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**
Sec. 1111.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision in Walker County, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.104. HOSPITAL SYSTEM. (a) The district shall provide for:

(1) the establishment of a hospital or hospital system in the district to furnish hospital care to district residents by:

(A) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements; and

(B) equipping the buildings and improvements; and

(2) the administration of the hospital system for hospital purposes.

(b) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(c) The hospital system may include:

(1) domiciliary hospital care of the sick or injured;
(2) outpatient clinics;
(3) dispensaries;
(4) geriatric domiciliary care;
(5) convalescent home facilities;
(6) necessary nurses;
(7) domiciliaries and training centers;
(8) blood banks;
(9) community health centers;
(10) research centers or laboratories; and
(11) any other facilities the board considers necessary for hospital care.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.105. RULES. The district through the board may adopt rules for the operation of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.106. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or convenient to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:
   (1) pay in advance or provide a bond or other security for costs in the trial court;
   (2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or
   (3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1111.107. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under any directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.108. LEASES. (a) The district through the board may lease all or part of the buildings and facilities comprising the hospital system to any person on terms considered to be in the district's best interest. The term of a lease may not exceed 40 years.

(b) When leasing a building or other facility, the board may delegate as it considers appropriate the board's power to manage, control, and administer the leased buildings and facilities to furnish hospital care.

(c) If all or part of a district building or other facility is leased, the board shall provide that the lessee charges sufficient rates for services rendered or goods provided at the leased premise that together with other sources of the lessee's revenue produce an amount sufficient to enable the lessee to pay the expenses of operating and maintaining the leased premise as the lessee is required to pay under the lease. The rates also must enable the lessee to pay lease rentals to the district that will be sufficient, when taken with any other source of the district's estimated revenue that are pledged for the same purpose, to:

1. pay the interest on any revenue or special obligation bonds that are payable wholly or partly from the lease rentals;
2. create and maintain a sinking fund to pay the principal of and any premium on the bonds as they become due;
3. create and maintain a bond reserve fund and any other fund required by the bond resolution or trust indenture authorizing the issuance of the bonds; and
4. pay all other charges, fees, costs, and expenses that
the lessee is required to pay under the resolution or indenture.

(d) The lease, management agreement, bond resolution, or trust indenture may prescribe systems, methods, routines, procedures, and policies for the operation of the buildings and other facilities owned by the district. If all or part of the district's buildings or other facilities are leased, the district may delegate to the lessee the duty to establish the systems, methods, routines, procedures, and policies for the operation of the leased premise.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.109. OPERATING AND MANAGEMENT CONTRACTS. The district through the board may:

(1) enter into an operating or management contract with any person regarding any district hospital or any part of the district hospital system; and

(2) delegate to the person the power to:

(A) manage and operate the hospital or hospital system or a portion of the hospital or hospital system; and

(B) employ and discharge employees or appoint and remove doctors from the staff.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.110. CONTRACTS FOR CARE. The board may contract with any lessee of the district's hospitals or any other person to provide hospital care to needy district inhabitants for the payments and terms and under the conditions the board considers to be in the district's best interests.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITALIZATION. (a) The board may contract with a county or municipality located outside the district's boundaries for the
hospitalization of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the hospitalization of a sick or injured person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.112. DISPOSITION OF PROPERTY. The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the district's best interest.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.113. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district, through the board, may sue and be sued in the district's own name in any court of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1111.151. DEPOSITORY. (a) The board by resolution shall designate a bank in Walker County as the district's depository. A designated bank serves for two years and until a successor is designated.

(b) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1111.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to the purchase,
construction, acquisition, repair, or renovation of buildings or improvements and equipping buildings or improvements for hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) An ad valorem tax shall be imposed at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued under Section 1111.201 as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting in an election held for that purpose.

(b) The board may order a bond election on its own motion.

(c) The order calling the election must specify:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the presiding election officers;
   (4) each proposition to be voted on; and
   (5) any other matter considered necessary or desirable by the board.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district once each week for two consecutive weeks. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
Sec. 1111.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board's presiding officer shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.206. INVESTMENT OF GENERAL OBLIGATION BOND PROCEEDS. Until general obligation bond proceeds are needed to carry out the bond purpose, the proceeds may be:

(1) invested in direct obligations of the United States; or
(2) placed on time deposit.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.207. REVENUE AND SPECIAL OBLIGATION BONDS. (a) The district may, without an election, issue revenue or special obligation bonds as authorized by the laws of this state relating to the issuance of revenue or special obligation bonds, including Sections 264.042-264.049 and 284.031, Health and Safety Code.

(b) Bonds issued under this section may be payable from and secured by revenue, encumbrances, and mortgages as authorized by law. Any maintenance and operating expense of the hospital system that is charged against the revenue of the system may include only items set forth and defined in the proceedings authorizing the bond issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01,
eff. April 1, 2013.

SUBCHAPTER F.  TAXES

Sec. 1111.251.  IMPOSITION OF AD VALOREM TAX.  (a) The board shall impose a tax on all taxable property in the district subject to district taxation.

(b) The tax shall be imposed for and may be pledged to:
(1) meet the requirements of district bonds and indebtedness assumed by the district;
(2) provide for the district's maintenance and operating expenses, including the costs or contract payments for hospital care for needy district inhabitants;
(3) make improvements and additions to the district's hospitals or hospital system; and
(4) acquire necessary sites for the hospitals or hospital system by gift, purchase, lease, or condemnation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.252.  TAX RATE.  The board shall impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.253.  ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR.  Unless the board elects to have taxes assessed and collected by its own tax assessor-collector under Section 1111.254, the tax assessor-collector of Walker County shall assess and collect taxes imposed by and for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1111.254.  ASSESSMENT AND COLLECTION BY DISTRICT TAX
ASSESSOR-COLLECTOR. (a) The board by majority vote may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made before December 1 and governs the manner in which taxes are assessed and collected, until changed by the board.

(b) The district tax assessor-collector must:
   (1) reside in the district; and
   (2) own real property subject to district taxation.

(c) The board shall prescribe the district tax assessor-collector's term of employment and compensation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

CHAPTER 1112. WEST COKE COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1112.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the West Coke County Hospital District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.002. AUTHORITY FOR CREATION. The West Coke County Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1112.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners Precincts 1 and 3 of Coke County, Texas, as those boundaries existed on January 1, 1963.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1112.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors elected from the district at large.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code, directors serve staggered two-year terms, with the terms of two or three directors expiring each year, as appropriate.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1112.052. NOTICE OF ELECTION. At least 10 days before the date of a directors' election, notice of the election must be published one time in a newspaper of general circulation in Coke County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file a petition requesting that action. The petition must be:

1. signed by at least 25 registered voters; and
2. filed by the deadline imposed by Section 144.005, Election Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.054. QUALIFICATIONS FOR OFFICE. A person must at the time of election or appointment as director:

1. be a resident of the district;
2. own land subject to taxation in the district; and
3. be at least 18 years of age.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.055. FILING OF OATH. The constitutional oath of office executed by a director must be filed in the district's office.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than three
for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, the county judge of Coke County may fill the vacancies by appointment.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.057. OFFICERS. The board shall elect from among its members a president, a vice president, and a secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.058. COMPENSATION. A director serves without compensation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.059. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.060. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.  
(b) The board may appoint an assistant administrator.  
(c) The district administrator and any assistant administrator serve at the will of the board and shall receive the compensation determined by the board.  
(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $10,000 that:  
   (1) is conditioned on the administrator performing the
Sec. 1112.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.062. EMPLOYEES. The board may employ any doctors, technicians, nurses, and other employees as considered necessary for the efficient operation of the district or may provide that the district administrator has the authority to employ those persons.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.063. RETIREMENT PROGRAM. The board may enter into any contract or agreement with this state or the federal government as required to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.064. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The board shall:

(1) keep an accurate account of board meetings and proceedings; and
(2) maintain at the district's principal office all district records and accounts, including contracts, notices,
duplicate vouchers, and duplicate receipts.

(b) The information described by Subsection (a) shall be open to public inspection at the district's principal office at all reasonable times.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 1112.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care of indigent persons; and

(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. Coke County or another political subdivision, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes for medical treatment of indigent persons in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.104. HOSPITAL SYSTEM. (a) The district shall provide for:
(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
   (B) equipping the buildings; and
(2) the administration of the hospital system for hospital purposes.

(b) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(c) The hospital system may include:
   (1) outpatient clinics; and
   (2) any other facilities the board considers necessary for hospital care.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.106. PURCHASING AND ACCOUNTING. The board may prescribe:
   (1) the method and manner of making purchases and expenditures by and for the district; and
   (2) all accounting and control procedures.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient to a power, right, or privilege conferred by this chapter.

  (b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.
Sec. 1112.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board may contract with:

(1) any county or municipality located outside the district for the care and treatment of a sick or injured person of that county or municipality; and

(2) this state or a federal agency for the treatment of a sick or injured person for whom this state or the federal government is responsible.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the patient's care and
treatment, the patient or those relatives shall be ordered to pay the
district a specified amount each week for the patient's support. The
amount ordered must be proportionate to the person's financial
ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the
patient's estate, or from those relatives legally liable for the
patient's support, in the manner provided by law for the collection
of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in
the mind of the district administrator, the board shall hold a
hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1112.111. AUTHORITY TO SUE AND BE SUED. The district,
through the board, may sue and be sued.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1112.151. BUDGET. (a) The district administrator shall
prepare for approval by the board an annual budget that corresponds
to the district's fiscal year.

(b) Not later than August 31 of each year, the board shall
publish notice of a public hearing on the proposed budget. The
notice must be published in a newspaper of general circulation in
Coke County at least 10 days before the date of the hearing.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1112.152. FISCAL YEAR. The district operates on a fiscal
year that begins on October 1 and ends on September 30.
Sec. 1122.153. AUDIT. (a) The district shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office.

Sec. 1122.154. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete account of the disbursements of that money.

Sec. 1122.155. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) All district money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to an appropriate bank to pay the principal of and interest on the district's outstanding bonds or other obligations assumed by the district on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being selected as a depository.
SUBCHAPTER E.  BONDS

Sec. 1112.201.  GENERAL OBLIGATION BONDS.  (a) The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose related to the purchase, construction, acquisition, repair, or renovation of buildings and improvements, and equipping buildings and improvements for a hospital and the hospital system, as determined by the board.

(b) The board shall issue the bonds in compliance with the applicable provisions of Subtitles A and C, Title 9, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.202.  TAX TO PAY GENERAL OBLIGATION BONDS.  (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section, together with any other ad valorem tax the district imposes, may not in any year exceed 25 cents on each $100 valuation of taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.203.  GENERAL OBLIGATION BOND ELECTION.  (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board shall call the election. The election must be held in accordance with Chapter 1251, Government Code.

(c) The bond election order must specify:

(1) the date of the election;
(2) the location of the polling places;
(3) the presiding election officers;
(4) the amount of the bonds to be authorized;
(5) the maximum maturity of the bonds; and
(6) the maximum interest rate of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.204. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name and the board secretary shall attest the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.205. REFUNDING BONDS. (a) District refunding bonds may, without an election, be issued to refund any bonds or other refundable indebtedness issued or assumed by the district.

(b) A refunding bond may be:
   (1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding bonds or other refundable indebtedness; or
   (2) exchanged wholly or partly for not less than a similar principal amount of the outstanding bonds or other refundable indebtedness.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.206. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) any profits made in the sale of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
SUBCHAPTER F. TAXES

Sec. 1112.251. IMPOSITION OF AD VALOREM TAX. (a) The district may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to meet the requirements of:
(1) district bonds;
(2) indebtedness assumed by the district; and
(3) district maintenance and operating expenses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.252. TAX RATE. Unless the rate is increased as provided by Section 1112.253, the district may impose the tax at a rate not to exceed 25 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1112.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the district's maximum tax rate to a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district.

(b) Notice of election shall be given by publishing a substantial copy of the election order in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first notice must be published at least 14 days before the date of the election.

(c) The ballot for the election shall be printed to permit voting for or against the proposition: "The imposition of annual taxes by the district for hospital purposes at a rate not to exceed 75 cents on the $100 valuation of all taxable property in the district."

(d) If a majority of district voters approve the proposition, the board may impose taxes as authorized by the proposition.

(e) A copy of the election results are a public record.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1112.254. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Coke County shall assess and collect taxes imposed by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

CHAPTER 1113. WILBARGER COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1113.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Wilbarger County Hospital District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.002. AUTHORITY FOR OPERATION. The Wilbarger County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the powers and responsibilities provided by that section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Wilbarger County.
Sec. 1113.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 2888, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1113.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected from the district at large by position. To be elected, a candidate must receive a majority of the votes cast in the election for that position.

(b) Directors serve staggered three-year terms.

Sec. 1113.052. NOTICE OF ELECTION AND RUNOFF ELECTION. (a) At least 10 days before the date of a directors' election, notice of the election must be published one time in a newspaper of general circulation in Wilbarger County.

(b) At least seven days before the date of a runoff election of directors, notice of the runoff election must be published one time in a newspaper of general circulation in Wilbarger County.
file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 100 registered voters; and
(2) filed by the deadline imposed by Section 144.005, Election Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.054. QUALIFICATIONS FOR OFFICE. A person may not be appointed or elected as a director unless the person is:

(1) a resident of the district; and
(2) at least 18 years of age at the time of the appointment or election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.055. BOND; RECORD OF BOND AND OATH. (a) Each director shall execute a good and sufficient bond for $1,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond and constitutional oath of office shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the
Sec. 1113.057. OFFICERS. The board shall elect from among its members a presiding officer, assistant presiding officer, and a secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.058. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.059. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.060. MEETINGS. (a) A board meeting may be called by the presiding officer or any four directors.

(b) Notice of the time and place of a board meeting must be given to each director not later than the seventh day before the time of the meeting.

(c) This section does not prevent the board from establishing by resolution a regular time and place for meetings for which special notice is not required.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1113.061. EMPLOYEES. (a) The board may employ a general manager and other necessary professional and clerical personnel.

(b) The title of the general manager hired by the board may be president.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.062. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1113.055, all district records, including books, accounts, notices, and minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and

(2) open to public inspection at the district office at all reasonable hours.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.063. SEAL. The board may adopt a seal for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1113.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION.
Wilbarger County or a municipality in Wilbarger County may not impose a tax for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.103. MANAGEMENT AND CONTROL OF DISTRICT. The management and control of the district is vested in the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.104. RULES. (a) The board may adopt rules governing the operation of the district and district facilities.

(b) The rules, on approval by the board, may be published in booklet form at district expense and may be made available to any taxpayer on request.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.105. PURCHASING AND ACCOUNTING. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:
   (1) all accounting and control procedures; and
   (2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.106. DISTRICT PROPERTY. (a) The board may sell or lease property owned by the district at public auction or at private sale, on terms the board may determine.

(b) The sale or lease of property and the terms of the sale or lease must be approved by a vote of at least three-fourths of the
total number of directors. The vote must be recorded by resolution in the district's minutes.

(c) After the adoption of a resolution authorizing a sale or lease, the board shall hold a public hearing on the proposed sale or lease. Notice of the public hearing and the subject of the hearing must be published in the English language in a newspaper of general circulation in the district once a week for three consecutive weeks preceding the hearing. The last of the notices must be published not less than five days before the date set for the hearing.

(d) Not more than 10 days after the date of the public hearing, the board shall again vote on the proposed sale or lease as stated in the initial resolution. The sale or lease must be approved by a vote of at least three-fourths of the total number of directors. The vote must be recorded in the district's minutes.

(e) Any transfer, lease, or sale of district property must be by an instrument signed by the board presiding officer and attested by the board secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory, if the interest is necessary or convenient to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as otherwise required by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1113.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.109. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who claims to be indigent is admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If it is determined that the patient or those relatives are liable to pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to their financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate order.

(f) The order may be appealed to the district court.
Sec. 1113.110. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court in this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.151. BUDGET. The board annually shall have a budget prepared for the next fiscal year that includes:

(1) proposed expenditures and disbursements;
(2) estimated receipts and collections; and
(3) the amount of taxes required to be imposed for the year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in Wilbarger County not later than the 10th day before the date of the hearing.

(c) Any district taxpayer is entitled to:

(1) appear at the time and place designated in the notice; and
(2) be heard regarding any item included in the proposed budget.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.153. FISCAL YEAR. The district's fiscal year begins on October 1 and ends on September 30.
Sec. 1113.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the preceding fiscal year.

(b) Not later than December 31 each year, the audit shall be filed:

(1) with the comptroller; and
(2) at the district's office.

Sec. 1113.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in Wilbarger County as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.

(b) All income received by the district shall be deposited with the district depository.

(c) All district money shall be secured in the manner provided for securing county funds.

Sec. 1113.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to the purchase, construction, acquisition, repair, or renovation of buildings and improvements and equipping buildings and improvements for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1113.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on general obligation bonds issued by the district under Section 1113.201 as the bonds mature.

(b) The tax required by this section together with any maintenance and operation tax the district imposes may not in any year exceed:

1. 50 cents on each $100 valuation of all taxable property in the district; or
2. the maximum amount approved by the voters under Section 1113.253.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order a bond election on its own motion.

(c) The order must specify:

1. the location of the polling places;
2. the presiding election officers;
3. the purpose for which the bonds are to be issued;
4. the amount of the bonds to be authorized;
5. the maximum interest rate of the bonds; and
6. the maximum maturity date of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order in a newspaper of general circulation in Wilbarger County once each week for two consecutive weeks before the date of the election. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after
the date of issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.205. EXECUTION OF GENERAL OBLIGATION BONDS. The board presiding officer shall execute the general obligation bonds in the district's name, and the board secretary shall countersign the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.206. REFUNDING BONDS. (a) District refunding bonds may be issued without an election and in the manner provided by this subchapter to refund outstanding bonds issued by the district.
   (b) A refunding bond may be:
      (1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding bonds; or
      (2) exchanged wholly or partly for not less than a similar amount of the outstanding bonds and the unpaid matured interest on those bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER F. TAXES

Sec. 1113.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the budget, the board shall impose a tax on all taxable property in the district subject to district taxation.
   (b) The board shall impose the tax to:
      (1) pay the interest on and create a sinking fund for bonds issued by the district for hospital purposes as provided by this chapter;
      (2) provide for the maintenance and operations of the hospital or hospital system;
      (3) make improvements and additions to the hospital system; and
(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.252. TAX RATE. Unless the rate is increased as provided by Section 1113.253, the board may impose the tax at a rate not to exceed 50 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.253. ELECTION TO INCREASE MAXIMUM TAX RATE. The board may call an election to increase the district's maximum tax rate to a rate not to exceed 75 cents on each $100 valuation of all taxable property in the district if the board determines that an increase is necessary to carry out the purposes for which the initial tax rate was authorized.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1113.254. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Wilbarger County shall assess and collect taxes imposed by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

CHAPTER 1114. WILLACY COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1114.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Commissioners court" means the Commissioners Court of Willacy County.
"Director" means a member of the board.

"District" means the Willacy County Hospital District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.002. AUTHORITY FOR OPERATION. The Willacy County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Willacy County, Texas.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.005. LOCATION OF HOSPITAL FACILITIES. The district hospital facilities shall be constructed and located on the property described by Section 10(a), Chapter 323, Acts of the 62nd Legislature, Regular Session, 1971.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1114.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1114.051. BOARD ELECTION; TERM. (a) The district is governed by a board of nine directors elected as follows:

(1) two directors elected from each commissioners precinct; and

(2) one director elected from the district at large.

(b) The two candidates receiving the most votes from a commissioners precinct are the directors for that precinct. The candidate receiving the most votes from the district at large is the director for the district at large.

(c) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms with:

(A) the terms of the directors elected from odd-numbered precincts and the term of the director from the district at large expiring each even-numbered year; and

(B) the terms of the directors elected from even-numbered precincts expiring each odd-numbered year; and

(2) an election shall be held on an authorized uniform election date each year to elect the appropriate number of directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1114.052. NOTICE OF ELECTION. At least 90 days before the date of a directors' election, notice of the election must be published one time in a newspaper or newspapers that individually or collectively provide general circulation in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must:

(1) be signed by at least 10 registered voters;
(2) be filed by the deadline imposed by Section 144.005, Election Code; and
(3) specify the commissioner precinct the person seeks to represent or specify that the person seeks to represent the district at large.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.054. QUALIFICATIONS FOR OFFICE. (a) To qualify for election to the board, a person must be:

(1) a resident of the district; and
(2) a qualified voter.

(b) In addition to the qualifications required by Subsection (a), a person who is elected from a commissioners precinct or who is appointed to fill a vacancy for a commissioners precinct must be a resident of that commissioners precinct.

(c) A person is not eligible to serve as a director if the person is:

(1) the district administrator;
(2) a district employee;
(3) a member of the hospital staff; or
(4) an employee of a member of the hospital staff.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1114.055. OATH; BOND; RECORD OF BOND. (a) A person elected to the board shall qualify for office by executing:
(1) a written oath; and
(2) a good and sufficient surety bond for $5,000 that is:
   (A) in the form prescribed by the board;
   (B) payable to the district; and
   (C) conditioned on the faithful performance of the director's duties.
(b) Each director's bond shall be kept in the district's permanent records.
(c) The board may pay for directors' bonds with district funds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by a majority vote shall appoint a director for the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.057. OFFICERS. (a) The board shall elect from among its members a president, a vice president, a secretary, and a treasurer.
(b) The offices of secretary and treasurer may be held by one person.
(c) Each officer of the board serves a one-year term.
(d) The board shall fill a vacancy in a board office for the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.058. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses
incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.059. MEETINGS. The board shall meet at least once a month on a regular meeting date prescribed by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.060. VOTING REQUIREMENT. A concurrence of five directors is required in any matter relating to district business.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.061. ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.
(b) The board may appoint an assistant administrator.
(c) The administrator and any assistant administrator serve at the will of the board and shall receive the compensation determined by the board.
(d) On assuming the duties of district administrator, the administrator shall execute a surety bond payable to the district in an amount and form set by the board of not less than $5,000 that:
(1) is conditioned on the administrator faithfully performing the administrator's duties; and
(2) contains any other conditions the board requires.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.062. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to any limitations prescribed by the board, the district administrator shall:
  (1) supervise the work and activities of the district; and
  (2) direct the affairs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.063. APPOINTMENT OF STAFF; EMPLOYEES. (a) The board may appoint to or dismiss from the staff any doctor the board considers necessary for the efficient operation of the district and may make temporary appointments to the staff if warranted.
  (b) The district may employ fiscal agents, accountants, architects, and attorneys as the board considers proper.
  (c) The board may delegate to the district administrator the authority to employ district employees, including technicians and nurses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:
  (1) establishing or administering a retirement program; or
  (2) participating in:
    (A) the Texas County and District Retirement System; or
    (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 1114.101. DISTRICT RESPONSIBILITY. (a) The district shall provide for the medical and hospital care of the district's needy inhabitants, as required by Section 9, Article IX, Texas Constitution, and this chapter.
  (b) The district has full responsibility for providing health
care services for the district's indigent residents, subject to the provisions of this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's services, money, and resources.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.104. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.105. PURCHASING AND ACCOUNTING. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1114.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board may lease all or part of the district's buildings and facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(b) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price, subject to the provisions of this chapter. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.107. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or provisions prescribed in writing by the donor that are not inconsistent with the proper management and object of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.108. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.109. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1114.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board may contract with:

(1) any county or municipality located outside the district for the care and treatment of a sick or injured person of that county or municipality; and

(2) this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with another political subdivision or a governmental agency for the district to provide investigatory or other services for the medical, hospital, or welfare needs of district inhabitants.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.112. HEALTH CARE SERVICES. (a) The district shall provide the inpatient and outpatient hospital services and physician services a county is required to provide under Section 61.028(a), Health and Safety Code.

(b) The district shall provide maternal labor and delivery services in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.113. HEALTH CARE SERVICES ELIGIBILITY. (a) The district shall provide health care assistance as required by this chapter to each eligible resident of the district.

(b) A person is eligible for health care assistance from the district if the person:
(1) resides within the district; and
(2) meets the basic income and resources eligibility requirements established by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.114. MANDATED PROVIDER. The district may select one or more providers of health care services and may require an eligible resident to obtain care from a provider except:

(1) in an emergency;
(2) when medically inappropriate; or
(3) when care is not available.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.115. NOTIFICATION OF PROVISION OF NONEMERGENCY SERVICES. (a) The district may require a mandated provider selected by the district under Section 1114.114 to obtain approval from the district before providing nonemergency health care services to an eligible resident of the district.

(b) If the district has not selected a mandated provider, a provider of nonemergency health care assistance must inform the district of any nonemergency health care services provided to a patient as required by this section.

(c) A provider that delivers or will deliver nonemergency health care services to a patient who the provider suspects might be eligible for assistance under this chapter shall notify the district that nonemergency health care services have been or will be provided to the patient. The provider must notify the district:

(1) by telephone, as soon as possible after the provider determines that the patient resides in the district; and
(2) by mail postmarked not later than the third working day after the date on which the provider determines that the patient resides in the district.

(d) If the provider knows that the district has selected a mandated provider or if, after contacting the district, the district requests that the patient be transferred to a mandated provider, the
provider shall transfer the patient to the mandated provider unless it is medically inappropriate to transfer the patient.

(e) The provider, the patient, and the patient's family shall cooperate with the district in determining if the patient is an eligible resident of the district.

(f) Not later than the 14th day after the date on which the district receives sufficient information to determine eligibility, the district shall determine if the patient is eligible for assistance. If the district does not determine the patient's eligibility within that period, the patient is considered to be eligible. The district shall notify the provider of the district's decision.

(g) A provider that delivers nonemergency services to a patient who is eligible for assistance under this chapter and fails to comply with this section is not eligible for payment for the services from the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.116. NOTIFICATION OF PROVISION OF EMERGENCY SERVICES.
(a) If a patient who is eligible for assistance under this chapter requires emergency services from a nonmandated provider, the provider must notify the district as provided by this section.

(b) A provider delivering emergency services to a patient who the provider suspects might be eligible for assistance under this chapter shall notify the district that emergency services have been or will be provided to the patient. The provider must notify the district:

(1) by telephone, as soon as possible after the provider determines that the patient resides in the district; and

(2) by mail postmarked not later than the third working day after the date on which the provider determines that the patient resides in the district.

(c) A provider shall attempt to determine if a patient resides in the district at the time the patient first receives services.

(d) The provider, the patient, and the patient's family shall cooperate with the district in determining if the patient is an eligible resident of the district.
(e) Not later than the 14th day after the date on which the district receives sufficient information to determine eligibility, the district shall determine if the patient is eligible for assistance. If the district does not determine the patient's eligibility within that period, the patient is considered to be eligible. The district shall notify the provider of the district's decision.

(f) A provider that delivers emergency services to a patient who is eligible for assistance under this chapter and fails to comply with this section is not eligible for payment for the services from the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.117. PAYMENT FOR SERVICES. (a) To the extent prescribed by this chapter, the district is liable for health care services provided under this chapter by any provider, including another hospital district or public hospital, to an eligible resident of the district.

(b) The payment rates and limits prescribed by Sections 61.034 and 61.035, Health and Safety Code, that relate to county services apply to inpatient and outpatient hospital services and physician services that the district is required to provide if:
   (1) the district is not able to provide the required services or emergency services; and
   (2) the services are provided elsewhere.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.118. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.

(b) The district is entitled to all causes of action and defenses to which similar authorities are entitled.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1114.151. BUDGET.  (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the money received by the district from all sources during the previous year;
(3) the money available to the district from all sources during the ensuing year;
(4) the balances expected at the end of the year in which the budget is being prepared;
(5) the estimated revenue and balances available to cover the proposed budget;
(6) the estimated tax rate required; and
(7) the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.152. NOTICE; HEARING; ACTION ON BUDGET.  (a) The board shall hold a public hearing each year on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively provide general circulation in the district.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall act on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the district's residents and that the law warrants.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1114.153. FISCAL YEAR. The district operates according to a fiscal year that begins on July 1 and ends on June 30.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.154. ANNUAL AUDIT. (a) The district shall have an independent annual audit made of the district's financial condition for each fiscal year.

(b) After approval by the board, the audit shall be filed at the district's office.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.155. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.156. DEPOSITORY. (a) Every two years, the board shall select one or more banks in the district to serve as a depository for district money.

(b) All district money, other than money invested as provided by Section 1114.157(b), and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to:

(1) place a part of district money on time deposit; or
(2) purchase certificates of deposit, obligations of the United States, or obligations guaranteed by the United States.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1114.157. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1114.106(b) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER E. BONDS

Sec. 1114.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements;

(2) equipping buildings and improvements for hospital purposes;

(3) acquiring and operating a mobile emergency medical service; and

(4) providing medical services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section, together with any other ad valorem tax the district imposes, may not in any year exceed the tax rate approved by the voters.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1114.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The order calling the election must specify:
(1) the date of the election;
(2) the location of the polling places;
(3) the amount of the bonds to be authorized;
(4) the maximum interest rate of the bonds; and
(5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.204. REVENUE BONDS. (a) The board may issue revenue bonds to:
(1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes;
(2) acquire sites to be used for hospital purposes; or
(3) acquire and operate a mobile emergency medical service.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.205. PROMISSORY NOTES. (a) The board may execute
and deliver promissory notes to purchase, construct, acquire, repair, equip, or renovate buildings and improvements for hospital purposes.

(b) The notes may be secured by:
   (1) a mortgage or deed of trust lien on all or part of the district property; or
   (2) a pledge of revenues derived from the operation of the district's hospital.

(c) The notes may be paid from:
   (1) taxes imposed by the district, not to exceed the tax rate approved by the voters; and
   (2) the revenues derived from the operation of the district's hospital.

(d) The total amount of revenues pledged under Subsection (b)(2) may not exceed 50 percent of the estimated revenues for the period the pledge is effective.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.206. REFUNDING BONDS. (a) District refunding bonds may be issued to refund outstanding bonded indebtedness of the district.

(b) A refunding bond may be:
   (1) sold, with the proceeds of the refunding bond applied to the payment of outstanding bonded indebtedness; or
   (2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.207. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.208. EXECUTION OF BONDS. The board president shall
execute the district's bonds in the district's name, and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.209. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued or assumed by the district;
(2) the transfer and issuance of the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER F. TAXES

Sec. 1114.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The board may impose the tax to:

(1) pay the indebtedness issued or assumed by the district; and
(2) maintain and operate the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 15 cents on each $100 valuation of all taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1114.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER G. DISSOLUTION

Sec. 1114.301. DISSOLUTION; ELECTION. (a) The commissioners court shall order an election on the question of dissolution of the district if the board receives a petition of 20 percent of the voters in the district.

(b) The commissioners court on its own motion may order an election on the question of dissolution of the district.

(c) An order calling an election under this section must contain:

(1) the time of the election;
(2) the location of the polling places;
(3) the issue to be printed on the ballot; and
(4) the presiding judge for each polling place.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.302. NOTICE OF ELECTION. The commissioners court shall publish a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks before the date of the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.303. BALLOT. The ballot for an election under this subchapter must provide for voting for or against the following proposition: "Dissolution of the Willacy County Hospital District."

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1114.304. ELECTION RESULTS. (a) If a majority of the voters in an election favor dissolution, the commissioners court shall declare the results and order the district dissolved. A copy of the order must be placed in the minutes of the commissioners court.

(b) If the election results do not favor dissolution, the commissioners court may not order another election under this subchapter before the first anniversary of the date the election results were officially announced.

(c) A copy of the election results must be filed with the county clerk and become a public record.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1114.305. DETERMINATION OF DEBT. After issuing the dissolution order, the commissioners court shall:

(1) determine the full debt owed by the district; and

(2) correct the last approved assessment rolls of the district by adding any property accidentally omitted before the dissolution order was issued.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

CHAPTE 1115. WILSON COUNTY MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1115.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Wilson County Memorial Hospital District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1115.002. AUTHORITY FOR OPERATION. The Wilson County Memorial Hospital District operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Wilson County, Texas.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1115.051. BOARD ELECTION; TERM. (a) The board consists of nine directors elected as follows:

(1) two directors elected from each county commissioners precinct of Wilson County; and
(2) one director elected from the district at large.

(b) The candidate from each commissioners precinct receiving the highest number of votes from that precinct is elected as director from that precinct. The candidate from the district at large receiving the highest number of votes from the district at large is elected as the director from the district at large.

(c) Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1) directors serve staggered two-year terms;
(2) each year one director is elected from each precinct; and
(3) in odd-numbered years, a director is elected from the district at large.

(d) A directors' election shall be held on the uniform election date in May of each year or another date authorized by law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.052. NOTICE OF ELECTION. At least 30 days before the date of a directors' election, notice of the election must be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must:

(1) be signed by at least 15 registered voters in the district; and
(2) be filed by the deadline imposed by Section 144.005, Election Code.
Sec. 1115.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:
(1) a resident of the district; and
(2) a qualified voter.
(b) A person is not eligible for election as a director from a commissioners precinct unless the person is a resident of that precinct.
(c) A person is not eligible to serve as a director if the person is:
(1) the district administrator;
(2) the district attorney; or
(3) a district employee.

Sec. 1115.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall fill the vacancy for the unexpired term.
(b) A person appointed under Subsection (a) to fill a vacancy from a precinct must be a resident of the precinct the person is to represent.

Sec. 1115.056. OFFICERS. (a) The board shall elect:
(1) a president and a vice president from among its members; and
(2) a secretary, who need not be a director.
(b) Each officer of the board serves a one-year term.
(c) The board shall fill a vacancy in a board office for the unexpired term.
Sec. 1115.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval by the board. The expenses must be reported in the district's records.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.058. VOTING REQUIREMENT. A concurrence of five directors is sufficient in any matter relating to district business.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.059. DISTRICT ADMINISTRATOR; ASSISTANT DISTRICT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and shall receive the compensation determined by the board.

(c) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in the amount set by the board of not less than $5,000 that:

(1) is conditioned on the administrator performing the administrator's required duties; and

(2) contains any other condition the board requires.

(d) The board may appoint an assistant district administrator. The assistant district administrator serves at the will of the board and receives the compensation determined by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the affairs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.061. ATTORNEY. (a) The board shall appoint a qualified person as the attorney for the district.
   (b) The attorney serves at the will of the board and receives the compensation determined by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.062. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as warranted.
   (b) The district may employ fiscal agents, accountants, architects, and additional attorneys as the board considers proper.
   (c) The board may delegate to the district administrator the authority to employ technicians, nurses, and district employees.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1115.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district may not impose a tax or issue bonds or other obligations
for hospital purposes or to provide medical care for district residents.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.104. HOSPITAL SYSTEM. (a) The district shall provide for:

(1) the establishment of a hospital system by:
   (A) purchasing, constructing, acquiring, repairing, and renovating buildings and equipment; and
   (B) equipping the buildings; and

(2) the administration of the hospital system for hospital purposes.

(b) The hospital system may include any facilities the board considers necessary for hospital care.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and
Sec. 1115.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and facilities on terms considered to be in the best interest of the district's inhabitants.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.108. EMINENT DOMAIN.

(a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient to a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1115.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Sec. 1115.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than $10,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.

Sec. 1115.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Sec. 1115.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board may contract with:

(1) any county or municipality located outside the district for the care and treatment of a sick or injured person of that county or municipality; and

(2) this state or a federal agency for the treatment of a sick or injured person.
eff. April 1, 2015.

Sec. 1115.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with another political subdivision or a governmental agency for the district to provide investigatory or other services for the medical, hospital, or welfare needs of district inhabitants.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1) the patient; and
(2) the patient's relatives legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to their financial ability.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and
(2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district
court. The substantial evidence rule applies to the appeal.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.115. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.116. ELECTION DATE. Notwithstanding Section 41.001(a), Election Code, the board may choose the date for an election held under this chapter other than a directors' election under Section 1115.051.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1115.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;
(2) the cash on hand to the credit of each district fund;
(3) the money received by the district from all sources during the previous year;
(4) the money available to the district from all sources during the ensuing year;
(5) the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated revenue and balances available to cover the budget; and
(7) the estimated tax rate required.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1115.152. PROPOSED BUDGET: NOTICE AND HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing must be published one time.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall act on the budget as proposed by the district administrator. The board may make any changes in the proposed budget that the board judges the law warrants and the interests of the taxpayers demand. The budget must be approved by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.153. AMENDMENTS TO BUDGET. The annual budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that district revenue bonds are outstanding; or

(2) more than once in any 24-month period.
Sec. 1115.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

Sec. 1115.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office.

Sec. 1115.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and
(2) a complete account of the disbursements of that money.

Sec. 1115.159. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) All district money, other than money invested as provided by Section 1115.160(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to:

(1) place a part of district money on time deposit; or
(2) purchase certificates of deposit.
Sec. 1115.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as provided by Section 1115.107(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Sec. 1115.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings and improvements; and

(2) equipping buildings and improvements for hospital purposes.

Sec. 1115.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district subject to hospital district taxation.
Sec. 1115.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The order calling the bond election must provide for clerks as in county elections and must specify:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the presiding and alternate election judges for each polling place;
   (4) the amount of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Sec. 1115.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after their date of issuance.

Sec. 1115.205. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Sec. 1115.206. REVENUE BONDS. (a) The board may issue revenue bonds to:
   (1) purchase, construct, acquire, repair, renovate, or
equip buildings and improvements for hospital purposes; or
(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of district revenue derived from the operation of the district's hospitals.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:
(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or
(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) any bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) any profits made in the sale of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER F. TAXES
Sec. 1115.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.
(b) The board shall impose the tax to pay:
(1) indebtedness assumed or issued by the district; and
(2) district maintenance and operating expenses.
(c) The board may not impose a tax to pay the principal of or interest on revenue bonds issued under Section 1115.206.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district subject to district taxation.
(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. Unless the board elects to have taxes assessed and collected by its own tax assessor-collector under Section 1115.254, the tax assessor-collector of Wilson County shall assess and collect taxes imposed by and for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1115.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board by majority vote may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made before December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.
(b) The district tax assessor-collector must reside in the district.
(c) The board shall set the term of employment and compensation for the district tax assessor-collector.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

CHAPTER 1116. WOOD COUNTY CENTRAL HOSPITAL DISTRICT
OF WOOD COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1116.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Wood County Central Hospital District of Wood County, Texas.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.002. AUTHORITY FOR CREATION. The Wood County Central Hospital District of Wood County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.003. DISTRICT TERRITORY. Unless the district's boundaries are expanded under Subchapter G or H or other law, the district is composed of the territory in the boundaries of the Quitman Independent School District located in Wood County as those boundaries existed on May 25, 1967.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this

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chapter may not become a charge against or obligation of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 1116.051. BOARD ELECTION; TERM. (a) The board consists of six directors elected from the district at large unless the boundaries of the district are expanded under Subchapter G or H.

(b) Directors serve staggered two-year terms unless:

(1) the alternate terms provided by Section 1116.307, 1116.353, or 1116.354 apply; or

(2) four-year terms are established under Section 285.081, Health and Safety Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.052. QUALIFICATIONS FOR OFFICE. To qualify for election to the board, a person must:

(1) be at least 18 years of age;

(2) have been a resident of the district for at least two years; and

(3) be a qualified voter of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.053. BOND; RECORD OF BOND AND OATH OF OFFICE. (a) Each director shall qualify for office by executing a good and
sufficient commercial bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the
director's duties.
(b) The district shall pay for a director's bond.
(c) Each director's bond and constitutional oath of office
shall be deposited with the district's depository for safekeeping.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1116.054. BOARD VACANCY. If a vacancy occurs on the
board, the board shall appoint a director for the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1116.055. OFFICERS. The board shall elect from among its
members a president, a secretary, and a treasurer at the first
meeting after each directors' election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1116.056. COMPENSATION; EXPENSES. A director is not
entitled to compensation but is entitled to reimbursement for any
necessary expense incurred in the performance of official duties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1116.057. DISTRICT ADMINISTRATOR. (a) The board may
employ a district administrator to manage the operations of the
hospital system.
(b) The district administrator may employ necessary personnel
to perform the services provided by the hospital system.
Sec. 1116.058. EMPLOYEES. The board may employ an attorney, a general manager, a bookkeeper, an architect, and other employees necessary for the efficient operation of the district.

Sec. 1116.059. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1116.053, the board shall:

(1) maintain all district records, including books, accounts, notices, minutes, and other matters of the district and the district's operation, at the district office; and

(2) make those records available for public inspection at reasonable times.

Sec. 1116.101. DISTRICT RESPONSIBILITY. The district shall provide all necessary medical and hospital care for the district's needy inhabitants.

Sec. 1116.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations to provide hospital service or medical care in the district.
Sec. 1116.103. MANAGEMENT AND CONTROL OF DISTRICT. The board has full power to manage and control the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.104. HOSPITAL SYSTEM. The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.105. RULES. (a) The board shall adopt rules for the efficient operation of the district and district facilities.

(b) The board shall:
   (1) publish the rules in book form; and
   (2) provide copies to interested persons on request at district expense.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.106. PURCHASING AND ACCOUNTING. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in real, personal, or mixed property located in district territory if the interest is necessary or convenient to exercise a power or duty conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in
the manner provided by Chapter 21, Property Code, except that the
district is not required to deposit in the trial court money or a
bond as otherwise required by Section 21.021(a), Property Code.

(c) In a condemnation proceeding, the district is not required
to:

(1) pay in advance or provide a bond or other security for
costs in the trial court; or

(2) provide a bond for costs or a supersedeas bond on an
appeal or petition for review.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1116.108. GIFTS AND ENDOWMENTS. The board may accept for
the district a gift or endowment to be held in trust and administered
by the board under the directions, limitations, or other provisions
prescribed in writing by the donor that are not inconsistent with the
proper management of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1116.109. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR
HOSPITAL CARE. The board may contract with a political subdivision
to provide hospital and medical care for needy persons who reside
outside the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
eff. April 1, 2015.

Sec. 1116.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A
person who resides in the district is entitled to receive necessary
medical and hospital care regardless of whether the person has the
ability to pay for the care. The person may apply to receive this
care without cost.

(b) The board or the district administrator shall employ a
person to investigate the ability of the patient and any relative
liable for the patient's support to pay for the medical and hospital
care received by the patient.

(c) If the investigator finds that neither the patient nor those relatives can pay all or part of the patient's care, the expense of this care becomes a charge against the district.

(d) If the patient or those relatives can pay for all or part of the costs of the patient's care, the board shall order the patient or relative to pay to the district treasurer each week an amount specified in the order. The amount must be proportionate to the person's ability to pay.

(e) The district may collect the amount from the patient's estate, or from any relative liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the investigator, the board shall hold a hearing and, after calling witnesses, shall:
   (1) determine the question; and
   (2) make the proper order based on the board's findings.

(g) A party to the hearing who is not satisfied with the result of the order may appeal to the district court. The appeal is de novo, as that term is used in an appeal from a justice court to a county court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1116.151. BUDGET. The board shall prepare a budget that includes:
   (1) proposed expenditures and disbursements;
   (2) estimated receipts and collections for the next fiscal year; and
   (3) the amount of taxes required to be imposed during the next fiscal year to meet the proposed budget.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The
board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any qualified property tax paying voter is entitled to:
   (1) appear at the hearing; and
   (2) be heard regarding any item in the proposed budget.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.153. FISCAL YEAR. The district's fiscal year is from October 1 to September 30.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.154. ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.

(b) Not later than December 1 of each year, the board shall file a copy of the audit with:
   (1) the comptroller; and
   (2) the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.155. DEPOSITORY. (a) The board by resolution shall designate a bank in Wood County as the district's depository. A designated bank serves for two years and until a successor is designated.

(b) All district money shall be deposited in the depository and secured in the manner provided for securing county funds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
SUBCHAPTER E. BONDS

Sec. 1116.201. BONDS. (a) The district may issue bonds to:
(1) purchase, construct, acquire, repair, or renovate buildings and improvements; and
(2) equip buildings for hospital purposes.
(b) The total face value of the bonds may not exceed the amount specified in the election order.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.202. TAX TO PAY BONDS. The board may issue bonds under Section 1116.201 only if the board imposes an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.203. BOND ELECTION. (a) The board may issue bonds under Section 1116.201 only if the bonds are authorized by a majority of the district voters voting in an election held for that purpose.
(b) The board may order a bond election at any time.
(c) The order calling an election must include:
(1) the time of the election;
(2) the location of the polling places;
(3) the form of the ballots;
(4) the presiding judge for each polling place;
(5) the purpose of the bond issuance;
(6) the amount of the bonds to be issued;
(7) the maximum interest rate of the bonds; and
(8) the maximum maturity date of the bonds.
(d) A substantial copy of the election order shall be published in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first notice must be published at least 14 days before the date of the election.
(e) A copy of the election results must be filed with the county clerk and become a public record.
Sec. 1116.204. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.205. EXECUTION OF BONDS. The board president shall execute the district's bonds in the district's name, and the board secretary shall countersign the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER F. TAXES

Sec. 1116.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used only to:
(1) pay the interest on and create a sinking fund for bonds issued under this chapter;
(2) provide for the operation and maintenance of the district and the hospital system;
(3) make improvements and additions to the hospital system; and
(4) acquire sites for additions to the hospital system.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.252. TAX RATE. Unless the tax rate is increased as provided by Section 1116.253, the board may impose the tax at a rate not to exceed 35 cents on each $100 valuation of all property in the district subject to taxation.
Sec. 1116.253. ELECTION TO INCREASE MAXIMUM TAX RATE; ORDER; NOTICE; BALLOT. (a) The board may order an election to increase the district's maximum tax rate to a rate not to exceed 75 cents on each $100 valuation of all property in the district subject to district taxation.

(b) The maximum tax rate may not be increased unless the increase is approved by a majority of the district voters voting in an election held for that purpose.

(c) The board shall give notice of the election in the manner provided for a bond election under Section 1116.203.

(d) The election order must provide for clerks as in county elections and must state:
   (1) the date of the election;
   (2) the location of the polling places;
   (3) the form of the ballot; and
   (4) the presiding judge and alternate judge for each polling place.

(e) The ballot for an election shall be printed to permit voting for or against the proposition: "The imposition of a tax not to exceed 75 cents on the $100 valuation on all property in the district subject to hospital district taxation."

(f) The board shall declare the results of the election.

(g) An election to increase the maximum tax rate may not be held under this section before the first anniversary of the date of any preceding election on the same proposition.

(h) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.254. TAX ASSESSOR AND COLLECTOR. The Wood County tax assessor-collector shall collect taxes for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1116.301. PETITION TO EXPAND DISTRICT TERRITORY. (a) Registered voters of a defined territory composed of all territory within the boundaries of the Mineola Independent School District may file a petition with the board secretary requesting inclusion of the territory in the district.

(b) The petition must be signed by the lesser of 50 registered voters of the territory or a majority of those voters.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.302. NOTICE OF HEARING. (a) The board shall set a time and place to hold a hearing on the petition.

(b) The hearing shall be held not earlier than the 31st day after the date the board issues the order.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.303. ORDER OF ANNEXATION. If, after the hearing, the board determines that annexation of the territory into the district would be feasible and would benefit the district, the board may approve the annexation by a resolution entered in its minutes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.304. RATIFICATION ELECTION. (a) Annexation of territory is final when approved by a majority of the voters at:

(1) an election held in the district; and

(2) a separate election held on the same date in the territory to be annexed.

(b) Section 41.001(a), Election Code, does not apply to an election held under this section.
Sec. 1116.305. ASSUMPTION OF DEBT AND TAXES. If the district has outstanding debts or taxes, the voters in the elections to approve annexation must determine whether the annexed territory will assume its portion of the debts or taxes on annexation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.306. BALLOT. The ballot for the elections shall be printed to permit voting for or against the following, as applicable:

1) "Adding the territory within the boundaries of the Mineola Independent School District to the Wood County Central Hospital District of Wood County."

2) "The territory within the boundaries of the Mineola Independent School District assuming its proportionate share of the outstanding debts and taxes of the Wood County Central Hospital District of Wood County, if it is added to the district."

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.307. COMPOSITION AND ELECTION OF BOARD FOLLOWING ANNEXATION; TERMS. (a) If annexation is approved, the board shall appoint a resident of the Mineola Independent School District to serve as a temporary director until the date of the next regular election of directors.

(b) Notwithstanding any other provision of this chapter, beginning on the date the temporary director is appointed as required by Subsection (a) and ending on the date a majority of the directors elected in the next regular election have qualified for office:

1) the board is composed of seven directors; and
2) a concurrence of four directors is sufficient in any matter relating to district business.

(c) Notwithstanding any other provision of this chapter, on the date of the next regular election following the approval of
(1) five directors shall be elected from the area of the district that is composed of the jurisdiction of the Quitman Independent School District as those boundaries existed on May 25, 1967;

(2) five directors shall be elected from the area of the district that is composed of the jurisdiction of the Mineola Independent School District as those boundaries existed on the date annexation was approved; and

(3) three directors shall be elected from the district at large.

(d) Notwithstanding any other provision of this chapter, on the date a majority of the directors elected to the board under Subsection (c) have qualified for office:

(1) the term of office of any director elected or appointed to the board before that election expires; and

(2) the directors elected to the board under Subsection (c) shall draw lots to determine:

(A) which director elected from the area of the district that is composed of the jurisdiction of the Quitman Independent School District, as those boundaries existed on May 25, 1967, serves a one-year term, which two directors elected from that area serve two-year terms, and which two directors elected from that area serve three-year terms;

(B) which director elected from the area of the district that is composed of the jurisdiction of the Mineola Independent School District, as those boundaries existed on the date annexation was approved, serves a one-year term, which two directors elected from that area serve two-year terms, and which two directors elected from that area serve three-year terms; and

(C) which director elected from the district at large serves a one-year term, which director elected from the district at large serves a two-year term, and which director elected from the district at large serves a three-year term.

(e) Notwithstanding any other provision of this chapter, beginning on the date a majority of the directors elected under Subsection (c) qualify for office:

(1) the board is composed of 13 directors; and

(2) a concurrence of seven directors is sufficient in any matter relating to district business.
(f) Successor directors shall be elected as provided by Subsections (c) and (d) so that:

(1) five directors are elected from the area of the district that is composed of the jurisdiction of the Quitman Independent School District as those boundaries existed on May 25, 1967;

(2) five directors are elected from the area of the district that is composed of the jurisdiction of the Mineola Independent School District as those boundaries existed on the date annexation was approved; and

(3) three directors are elected from the district at large.

(g) Following each decennial federal census, the board shall evaluate the electoral areas described by Subsection (f) to ensure that the areas comply with the requirements of federal election laws and shall adjust the jurisdiction of the areas in accordance with federal requirements.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER H. EXPANSION OF DISTRICT TERRITORY TO INCLUDE ALBA-GOLDEN, YANTIS, AND HAWKINS INDEPENDENT SCHOOL DISTRICTS

Sec. 1116.351. ELECTION ON EXPANSION OF DISTRICT; ORDER; NOTICE. (a) The board may order one or more elections in the area of one or more of the following independent school districts, as they were constituted on May 15, 1979, on the question of whether that area shall be included in the district:

(1) Alba-Golden;

(2) Yantis; and

(3) Hawkins.

(b) The area of a school district in which an election is held is included in the district if a majority of registered voters in that school district voting at the election approve annexation.

(c) The board shall give notice of the election in the district and in the area of each school district sought to be included in the district in the manner provided for a bond election under Section 1116.203.

(d) The election order must provide for clerks as in county elections and must state:
(1) the date of the election;
(2) the location of the polling places;
(3) the form of the ballot; and
(4) the presiding judge and alternate judge for each polling place.

(e) The board shall declare the results of the election.

(f) An election to expand district territory to include the area of a school district may not be held under this section before the first anniversary of the date of an election on the same proposition.

(g) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.352. BALLOT. The ballot for an election shall be printed to permit voting for or against the proposition: "The inclusion of the area of the (name of district) Independent School District in the Wood County Central Hospital District; providing for the imposition of annual taxes for hospital purposes and to pay that area's share of the hospital district's debt at a rate not to exceed (maximum tax rate in the district) cents on the $100 valuation of all taxable property within the district."

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1116.353. COMPOSITION OF BOARD AFTER ANNEXATION OF ONE SCHOOL DISTRICT; TERMS; VOTING REQUIREMENT. (a) If a majority of the voters in the area of only one of the school districts approve annexation, the board shall appoint a resident of that area to serve as a director until the next regular election of directors.

(b) Successors to a director appointed under Subsection (a) are elected from the district at large and serve two-year terms.

(c) During any time the board is composed of seven directors, a concurrence of four is sufficient in any matter relating to district business.
Sec. 1166.354. COMPOSITION OF BOARD AFTER ANNEXATION OF MORE THAN ONE SCHOOL DISTRICT; TERMS; VOTING REQUIREMENT. (a) If a majority of the voters in the area of more than one school district approve annexation, the board may appoint two directors who are residents of the annexed area to serve in addition to the six sitting directors, for a total of eight directors.

(b) If the board appoints two directors under Subsection (a), the board shall appoint:

(1) one director to serve until the next regular election of directors following appointment; and

(2) one director to serve until the election of directors following the next regular election of directors.

(c) During any time the board is composed of eight directors, a concurrence of five is sufficient in any matter relating to district business.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

CHAPTER 1117. YOAKUM HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1117.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Yoakum Hospital District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.002. AUTHORITY FOR OPERATION. The Yoakum Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the powers and responsibilities provided by that section and this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01,
Sec. 1117.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.004. DISTRICT TERRITORY. Unless modified under Subchapter D, the district is composed of the territory described by Section 1, Chapter 317, Acts of the 59th Legislature, Regular Session, 1965.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.
SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1117.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven elected directors.
(b) Directors serve staggered three-year terms, with the terms of two or three directors expiring each year, as appropriate.

Sec. 1117.052. NOTICE OF ELECTION. (a) At least 10 days before the date of a directors' election, notice of the election must be published one time in a newspaper of general circulation in the district.
(b) The notice and order must specify the last day for filing.

Sec. 1117.053. QUALIFICATIONS FOR OFFICE. A person may not be elected or appointed as a director unless the person:
(1) is a resident of the district;
(2) owns property in the district subject to taxation; and
(3) is at least 18 years of age at the time of election or appointment.

Sec. 1117.054. BOND; RECORD OF BOND AND OATH. (a) Each director shall execute a good and sufficient bond for $1,000 that is:
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.
(b) Each director's bond and constitutional oath of office
shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.056. OFFICERS. The board shall annually elect from among its members a president, a vice president, and a secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.057. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the entire board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.059. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board
and receives the compensation determined by the board.

(c) The tenure of the district administrator's contract may not exceed two years.

d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $10,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains other conditions the board may require.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. (a) Subject to the direct control and responsibility of the board and any limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the affairs of the district.

(b) The board must confirm the appointment of a person employed by the district administrator.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.061. EMPLOYEES. (a) The board may employ employees, including doctors, technicians, nurses, bookkeepers, financial advisors, architects, lawyers, and clerks, as considered necessary or convenient for the efficient operation of the district or a district hospital or hospital system, or to discharge the district's duties, obligations, and responsibility in the provision of medical and hospital care.

(b) An employee serves at the will of the board and receives the compensation determined by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1117.062. MEDICAL DIRECTOR. (a) The board shall appoint a medical director.

(b) To be qualified for appointment as the medical director, a person must:

(1) be a doctor of medicine; and

(2) actively practice medicine in the district.

(c) The medical director is in charge of all matters of a medical nature in the district, subject to any rules adopted by the board.

(d) The medical director is entitled to:

(1) attend all meetings of the board; and

(2) take part in all board discussions.

(e) The medical director may not vote at a meeting of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.063. RETIREMENT PROGRAM; INSURANCE OR MEDICAL PROTECTION PROGRAM. The board may enter into any contract as required to establish or continue a retirement program or insurance or medical protection program for the benefit of the district's employees.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1117.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) providing medical and hospital care for the district's needy inhabitants; and

(2) operating all hospital facilities for providing medical and hospital care for needy or indigent persons in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.
Sec. 1117.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION. A county, any part of which is in the district, or a municipality in the district may not issue bonds or other obligations or impose a tax on property in the district for hospital purposes for medical treatment of needy or indigent persons of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.103. MANAGEMENT AND CONTROL. (a) The management and control of the district is vested in the board.

(b) The district, through the board, has every power, right, and privilege incident to the ownership of land, buildings, and personal property and the complete operation, management, and maintenance of a hospital or hospital system, including the power to:

(1) negotiate and contract with any person to purchase or lease land or a hospital;

(2) construct and equip a hospital or hospital system;

(3) acquire and own land and a hospital and lease the land and hospital, with all hospital equipment and facilities, to any person to conduct the complete operation, management, and maintenance of a hospital or hospital system in consideration of a fair and reasonable annual payment to defray all or part of the district's annual capital outlay or debt service requirements; and

(4) negotiate and contract with other political subdivisions of this state or private individuals, associations, or corporations for a purpose described by this subsection.

(c) A contract or lease described by Subsection (b) must assure the provision of medical and hospital care for the district's needy inhabitants.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.104. HOSPITAL SYSTEM. The district shall provide for:

(1) the establishment of a hospital system by:

(A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
(B) equipping the buildings; and

(2) the administration of the hospital system for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.105. RULES. The district, through the board, may adopt rules for the operation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.106. PURCHASING AND ACCOUNTING. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary to a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an
appeal or petition for review.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under any directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board may contract with:

(1) any county or municipality located outside the district for the care and treatment of a sick or injured person of that county or municipality; and

(2) this state or a federal agency for the treatment of a sick, disabled, or injured person for whom the state or the federal government is responsible.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district has been admitted to a district facility, the board shall have an inquiry made into the circumstances of:

(1) the patient; and

(2) the patient's relatives legally liable for the patient's support.

(b) If an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay for all or part of the patient's care and treatment in the hospital, the amount that cannot be paid becomes a charge against the district.
(c) If the board determines that the patient or those relatives are liable to pay for all or part of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to their financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:
   (1) resolve the dispute or doubt; and
   (2) issue any appropriate order.

(f) Either party to the dispute may appeal the order to the district court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.111. AUTHORITY TO SUED AND SUED. The district, through the board, may sue and be sued.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1117.151. ANNEXATION; TERRITORY SUBJECT TO ANNEXATION. The board may adopt an order to annex territory that is adjacent to the district if an election is called by the board in accordance with this subchapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.152. ELECTION. An election described by Section
1117.151 must be confined to the territory proposed to be annexed to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.153. ELECTION RESULT; EFFECT. On approval of the annexation by a majority of the voters in the territory proposed to be annexed, the territory:

(1) becomes a part of the district;
(2) is liable for the territory's pro rata share of the district's indebtedness; and
(3) shall impose taxes on property in the district for the payment of the district's debt and obligations.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

**SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS**

Sec. 1117.201. BUDGET. The board shall prepare an annual budget, with the assistance of the district administrator, that corresponds to the district's fiscal year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.202. NOTICE; HEARING. (a) Before an annual budget described by Section 1117.201 is adopted, the board shall call a public hearing on the budget.

(b) Notice of the hearing must be published in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.

(c) After the budget is adopted, the following must be published one time in a newspaper of general circulation in the district:

(1) a brief form of the adopted budget by general heading;
(2) the annual budget for the preceding fiscal year in a form similar to the form described by Subdivision (1); and
(3) the actual expenditures for the preceding fiscal year, including fiscal year account balances.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.203. FISCAL YEAR. The board may establish a fiscal year for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.204. ANNUAL AUDIT. Promptly after the close of each fiscal year, the board shall have an annual audit made of the district's books and records by an independent public accountant.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.205. FINANCIAL REPORT. After the close of each fiscal year, the district administrator shall prepare for the board:
(1) a complete sworn statement of all district money; and
(2) a complete account of all disbursements of that money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.206. INSPECTION OF DISTRICT RECORDS AND REPORTS. The district's financial books and records, annual audit reports, district administrator's statement, and annual budget shall be open to reasonable inspection at the district's principal office.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.207. DEPOSITORY OR TREASURER. (a) The board shall
designate one or more banks in the district to serve as depository or treasurer for district money.

(b) District money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to an appropriate bank to pay the principal of and interest on the district's outstanding bonds on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify that bank from being designated as depository.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER F. BONDS

Sec. 1117.251. GENERAL OBLIGATION BONDS. (a) The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose related to the purchase, construction, acquisition, repair, or renovation of buildings and improvements, and equipping buildings and improvements for hospitals and the hospital system, as determined by the board.

(b) The board shall issue the bonds in compliance with the applicable provisions of Subtitles A and C, Title 9, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1117.251, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax imposed for the district may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.
Sec. 1117.253. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board shall call the election. The election must be held in accordance with Chapter 1251, Government Code.

(c) The election order must specify:
   (1) the date of the election;
   (2) the amount of the bonds to be authorized;
   (3) the maximum maturity of the bonds;
   (4) the maximum interest rate of the bonds;
   (5) the location of the polling places; and
   (6) the presiding election officers.

(d) Notice of a bond election shall be given by publishing a substantial copy of the election order in a newspaper of general circulation in the district once each week for two consecutive weeks before the date of the election. The first publication must occur at least 20 days before the date of the election.

Sec. 1117.254. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name, and the board secretary shall attest the bonds as provided by Chapter 618, Government Code.

Sec. 1117.255. REFUNDING BONDS. (a) The district may, without an election, issue refunding bonds to refund any bond or other refundable indebtedness issued or assumed by the district.

(b) A refunding bond may be:
   (1) sold, with the proceeds of the refunding bond applied
to the payment of the outstanding bonds or other refundable indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of the outstanding bonds or other refundable indebtedness.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.256. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) the transfer and issuance of the bonds; and
(3) any profits made in the sale of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER G. TAXES

Sec. 1117.301. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all taxable property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds issued or assumed by the district for hospital purposes as provided by this chapter;
(2) provide for the operation and maintenance of the district and hospital system; and
(3) make improvements and additions to the hospitals or hospital system and acquire necessary land and sites for the hospitals or hospital system by purchase, lease, or condemnation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.302. TAX RATE. The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of all taxable

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property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1117.303. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of:

(1) DeWitt County shall assess and collect taxes imposed by the district on all taxable property in DeWitt County;

(2) Lavaca County shall assess and collect taxes imposed by the district on all taxable property in Lavaca County; and

(3) Gonzales County shall assess and collect taxes imposed by the district on all taxable property in Gonzales County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

CHAPTER 1118. MAVERICK COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1118.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Maverick County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.001 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.002. AUTHORITY FOR CREATION. The Maverick County Hospital District is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.002 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53),
Sec. 1118.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.003 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Maverick County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.004 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.005 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Sec. 1118.051. BOARD ELECTION; TERMS. (a) The board consists of five directors elected by district voters.  
(b) Directors serve staggered four-year terms.  
(c) An election shall be held on the first Tuesday after the first Monday in November of each year to elect the appropriate number of directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.051 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.052. QUALIFICATIONS FOR OFFICE. (a) To qualify for election to the board, a person must be:  
(1) a district resident; and  
(2) a qualified voter.  
(b) A person may not serve on the board if the person is:  
(1) a party to a contract with the district to perform services for the district for compensation; or  
(2) a district employee.  
(c) A director is eligible for reelection to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.052 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall qualify for office by executing a good and sufficient commercial bond for $1,000 that is:  
(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

(b) The district shall pay for a director's bond.

(c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository for safekeeping.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.053 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.054. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

(b) The appointed director must have the qualifications required by Section 1118.052.

(c) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.054 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.002(15), eff. September 1, 2011.
Acts 2017, 85th Leg., R.S., Ch. 27 (S.B. 881), Sec. 1, eff. September 1, 2017.

Sec. 1118.055. OFFICERS. The board shall elect from among its members a chairman, a vice-chairman, a secretary, and a treasurer at the first meeting after each directors' election.
Sec. 1118.056. COMPENSATION; EXPENSES. A director is not entitled to compensation but is entitled to reimbursement for necessary expenses incurred in the performance of official duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.055 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.
Amended by:
  Acts 2017, 85th Leg., R.S., Ch. 27 (S.B. 881), Sec. 2, eff. September 1, 2017.

Sec. 1118.057. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is sufficient in any matter relating to the business of the district. (Acts 59th Leg., R.S., Ch. 172, Sec. 5(g) (part).)

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.057 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.058. DISTRICT ADMINISTRATOR. (a) The board may authorize the appointment, engagement, or employment of a district administrator to manage the operations of the district.

(b) The district administrator serves at the will of the board and is subject to rules adopted by the board.

(c) The board may require that a person, before assuming the duties of district administrator, execute a bond in an amount determined by the board of not less than $10,000 that is:
payable to the district; and
conditioned on the faithful performance of the person's duties as district administrator under this chapter.

The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.058 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.059. EMPLOYMENT OF MEDICAL STAFF AND OTHER HEALTH CARE PROVIDERS. (a) The board may employ physicians, dentists, or other health care providers as the board considers necessary for the efficient operation of the district.

(b) This section does not authorize the board to supervise or control the practice of medicine or permit the unauthorized practice of medicine, as prohibited by Subtitle B, Title 3, Occupations Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.059 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.060. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. (a) The board may appoint a physician to or remove a physician from the staff of any hospital or hospital system that is a component of the district's operations as the board considers necessary for the efficient operation of the district.

(b) The board may adopt rules relating to the method of appointing or removing medical staff members, including the method for temporary appointments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.060 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.
Sec. 1118.061. RECRUITMENT AND RETENTION OF MEDICAL STAFF AND PROFESSIONAL PERSONNEL. The board may, consistent with applicable federal and state laws, recruit and retain physicians, nurses, technicians, and other professional personnel through:

(1) scholarship programs;
(2) agreements for future services;
(3) shared personnel;
(4) bonuses; and
(5) any other method the board determines necessary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.061 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.062. OTHER DISTRICT EMPLOYEES. (a) The board may authorize the employment of persons necessary for the efficient operation of the district.

(b) An employee serves at the will of the board and is subject to rules adopted by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.062 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1118.064. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. The board shall:
(1) maintain all district records, including books, accounts, notices, minutes, and other matters of the district and its operation, at the district office; and
(2) make those records available for public inspection at reasonable times.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.064 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1118.101. DISTRICT RESPONSIBILITY. (a) The district has the responsibility of undertaking any measure, consistent with Section 9, Article IX, Texas Constitution, and this chapter, that the board determines is necessary to provide hospital and medical care to the district's needy residents.

(b) The district shall undertake any measure, consistent with Section 9, Article IX, Texas Constitution, and this chapter, that the board determines is necessary to provide hospital and medical care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.101 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.102. ANNUAL DETERMINATION OF CARE. The board, based on the estimated amount of revenue and balances available to cover
the proposed annual budget for the district, may annually determine
the type and extent of hospital and medical care services offered by
the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.102
by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53),
eff. September 1, 2011.

Sec. 1118.103. RESTRICTION ON POLITICAL SUBDIVISION TAXATION
AND DEBT. A political subdivision of this state, other than the
district, may not impose a tax or issue bonds or other obligations to
provide hospital service or medical care in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.103
by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53),
eff. September 1, 2011.

Sec. 1118.104. MANAGEMENT AND CONTROL OF DISTRICT. The
management and control of the district is vested in the board, and
the board has full power to manage and control the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.104
by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53),
eff. September 1, 2011.

Sec. 1118.105. RULES. (a) The board shall adopt rules for the
efficient operation of the district, including district facilities.
(b) The board shall:
(1) publish the rules in book form; and
(2) provide copies to interested persons on request at
district expense.
Sec. 1118.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.105 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board may:
(1) lease or acquire property, including facilities and equipment, for the use of the district; and
(2) mortgage or pledge the property as security for the payment of the purchase price.
(b) The board may sell, lease, or otherwise dispose of property, including facilities or equipment, for the district. Sale or other disposal under this subsection must be at a public sale and at a price and on the terms the board determines are most advantageous to the district.
(c) The board may donate to another governmental entity or to a charitable organization any surplus personal property or equipment if the donation serves a public purpose and is accompanied by adequate consideration.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.107 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.
Sec. 1118.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in real, personal, or mixed property located in district territory if the interest is necessary or convenient for the district to exercise a power or duty conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court; or

(2) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.108 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.109 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.110. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) A construction contract awarded by the district that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, must be competitively bid as provided
Sec. 1118.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to hospital services or medical care the district is authorized to provide.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.111 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.112. CONTRACTS WITH POLITICAL SUBDIVISIONS OR GOVERNMENT AGENCIES FOR HOSPITAL AND MEDICAL CARE. The board may contract with a municipality or other political subdivision or a state or federal agency to provide hospital and medical care for needy persons who reside outside the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.112 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) A person who resides in the district is entitled to receive necessary medical and hospital care regardless of whether the person has the ability to pay for the care and may apply to receive this care without cost.

(b) The board or the district administrator shall employ a person to investigate the ability of the patient and any relative who
is liable for the patient's support to pay for the medical and hospital care received by the patient.

(c) If the district determines that the patient or relative legally liable for the patient's support cannot pay all or part of the costs of the patient's care, the expense of the care becomes a charge against the district.

(d) If the patient or a relative legally liable for the patient's support can pay for all or part of the costs of the patient's care, the board shall order the patient or relative to pay to the district each week an amount specified in the order. The amount must be proportionate to the person's ability to pay.

(e) The district administrator may collect the amount from the patient's estate, or from any relative who is liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(f) If there is a dispute as to the ability to pay, the board shall hold a hearing and, after calling witnesses, shall:

   (1) determine the question; and

   (2) make the proper order based on the board's findings.

(g) A party to the hearing who is not satisfied with the result of the order may appeal to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.113 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.114. REIMBURSEMENT FOR SERVICE. (a) The board shall require a county, municipal, or other public hospital located outside the district to reimburse the district for the district's care and treatment of a patient of that hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Maverick County or the police chief of a municipality in the district to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of the county or municipality and is not a resident of the district.
Sec. 1118.115. CHARITABLE ORGANIZATION. (a) In this section, "charitable organization" means an organization that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 by being listed as an exempt organization in Section 501(c)(3) or 501(c)(4) of the code.

(b) The board may facilitate the achievement of district purposes by creating a charitable organization to:

1. provide or arrange for hospital and health care services;

2. develop resources for hospital and health care services; and

3. provide ancillary support services for the district.

(c) A charitable organization created under this section is a unit of local government for purposes of Chapter 101, Civil Practice and Remedies Code.

Sec. 1118.116. NONPROFIT CORPORATION. (a) The board, on the district's behalf, may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) The corporation may use money, other than money the corporation pays to the district, only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money,
including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish adequate controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.116 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1118.151. BUDGET. The district administrator shall prepare a proposed budget that includes:

(1) proposed expenditures and disbursements;

(2) estimated receipts and collections for the next fiscal year; and

(3) the amount of taxes required to be imposed to meet the proposed budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.151 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.152. ADOPTION OF PROPOSED BUDGET: NOTICE AND HEARING.

(a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to:

(1) appear at the hearing; and

(2) be heard regarding any item in the proposed budget.

(d) At the conclusion of the hearing, the board shall adopt a budget for the district that includes any changes to the proposed budget that the board determines are in the best interest of the district.
Sec. 1118.153. FISCAL YEAR. The district's fiscal year is from September 1 through August 31.

Sec. 1118.154. ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.

(b) On or before March 1 of each year, the board shall:
(1) file a copy of the audit with the district; and
(2) provide a copy of the audit at each public library located in the district.

Sec. 1118.155. DEPOSITORY. (a) The board by resolution shall designate a bank in Maverick County as the district's depository. A designated bank serves for two years and until a successor is designated.

(b) All district money shall be deposited in the depository and secured in the manner provided for securing county funds.
Sec. 1118.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate of not more than 10 percent a year on district notes to pay the obligations if the board declares that money is not available to meet authorized district obligations, which creates an emergency.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) Money obtained from a loan under this section may be spent only for:

(1) a purpose for which the board declared an emergency; and

(2) if district taxes or bonds are pledged to pay the loan, the purposes for which the taxes were imposed or the bonds were authorized.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.155 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1118.201. BONDS. The district may issue bonds to:
(1) purchase, construct, acquire, repair, or renovate buildings or improvements; and
(2) equip buildings for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.201 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 2, 2011.

Sec. 1118.202. TAX TO PAY GENERAL OBLIGATION BONDS. The board may issue general obligation bonds only if the board imposes an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.202 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.203. BOND ELECTION. (a) The board may issue general obligation bonds only if the bonds are authorized by a majority of district voters voting in an election held for that purpose.
(b) The board may order a bond election at any time.
(c) The order calling an election must include:
(1) the time of the election;
(2) the location of the polling places;
(3) the form of the ballot;
(4) the presiding judge for each polling place;
(5) the purpose of the bond issuance;
(6) the amount of the bonds to be authorized;
(7) the maximum interest rate of the bonds; and
(8) the maximum maturity of the bonds.
(d) A substantial copy of the election order shall be published in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first notice must be published at least 14 days before the date of the election.
election.

(e) A copy of the election results must be filed with the county clerk and become a public record.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.  
Redesignated from Special District Local Laws Code, Section 1072.203 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.204. REVENUE BONDS. (a) The district may issue revenue bonds to:

(1) acquire, construct, repair, renovate, or equip buildings or improvements for hospital purposes; or

(2) acquire real property for district purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.044, 264.045, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.  
Redesignated from Special District Local Laws Code, Section 1072.204 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01,
Sec. 1118.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.206 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.207. EXECUTION OF BONDS. (a) The board chairman shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.207 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 27 (S.B. 881), Sec. 3, eff. September 1, 2017.

Sec. 1118.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.208 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53),
Sec. 1118.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used only to:

(1) pay the interest on and create a sinking fund for bonds issued under this chapter;

(2) provide for the operation and maintenance of the district and hospital system;

(3) make improvements and additions to the hospital system;

(4) acquire sites for additions to the hospital system; and

(5) pay the indebtedness issued or assumed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.251 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.252. TAX RATE. The board may impose the tax at a rate not to exceed 50 cents on each $100 valuation of all taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.252 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.253. TAX ASSessor-COLLECTOR. The tax assessor-collector for Maverick County shall collect taxes for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section 1072.253 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.
eff. September 1, 2011.

CHAPTER 1119. SCURRY COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1119.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Scurry County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 946 (H.B. 811), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1119.051. EMPLOYMENT OF HEALTH CARE PROVIDERS. (a) The board may employ health care providers other than physicians as the board considers necessary for the efficient operation of the district.
(b) The board may delegate to the administrator of the district the authority to employ health care providers under Subsection (a).

Added by Acts 2011, 82nd Leg., R.S., Ch. 946 (H.B. 811), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 1119.101. GENERAL AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.
(b) To secure a loan, the board may pledge:
(1) district revenue that is not pledged to pay the district's bonded indebtedness;
(2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or
(3) district bonds that have been authorized but not sold.
(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.
SUBCHAPTER D. BONDS

Sec. 1119.151. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under Subchapter G, Chapter 286, Health and Safety Code, the board may provide for the security and repayment of district bonds from a pledge of a combination of taxes as authorized by Section 286.142, Health and Safety Code, and revenue and other sources as authorized by Section 286.144, Health and Safety Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 946 (H.B. 811), Sec. 1, eff. June 17, 2011.

Sec. 1119.152. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under Chapter 286, Health and Safety Code, to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:
   (A) during an estimated period of acquisition or construction, not to exceed five years; and
   (B) for one year after the project or facility is acquired or constructed;
(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
(5) costs related to the bond issuance;
(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and
(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.
CHAPTER 1120. MINEOLA AREA MEDICAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1120.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Mineola Area Medical District.

Sec. 1120.002. DISTRICT AUTHORIZATION. The Mineola Area Medical District may be created and, if created, operates and is financed as a hospital district as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Sec. 1120.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Sec. 1120.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Mineola Independent School District.

Sec. 1120.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or
maintenance of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 1120.021. CREATION ELECTION; ORDERING ELECTION. (a) The district may be created and a tax may be authorized only if the creation and the tax are approved by a majority of the registered voters of the territory of the proposed district voting at an election called and held for that purpose.

(b) The Wood County Commissioners Court shall order an election for the registered voters of the territory of the proposed district on the question of creation of the Mineola Area Medical District if the commissioners court receives a petition requesting an election that is signed by at least 50 registered voters who are residents of the territory of the proposed district.

(c) The order calling an election under this section must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

(e) The Wood County Commissioners Court shall give notice of an election under this section by publishing a substantial copy of the election order in a newspaper with general circulation in Wood County once a week for two consecutive weeks. The first publication must appear not later than the 30th day before the date set for the election.
The ballot for an election under this section must be printed to permit voting for or against the proposition: "The creation of the Mineola Area Medical District, providing for the imposition of an ad valorem tax at a rate not to exceed 75 cents on each $100 valuation on all taxable property in the district."

The Wood County Commissioners Court shall find that the Mineola Area Medical District is created if a majority of the voters voting in the election held under this section favor the creation of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.022. TEMPORARY DIRECTORS. (a) If the creation of the district is approved at the election held under Section 1120.021, the Wood County Commissioners Court shall appoint nine temporary directors to represent the district at large.

(b) Temporary directors serve until the date of the next regular election of directors that occurs after the date of the election held under Section 1120.021 and that allows sufficient time to comply with other requirements of law.

(c) A vacancy on the temporary board of directors shall be filled by appointment by the Wood County Commissioners Court.

(d) A person must be a qualified voter of the district to serve as a temporary director.

(e) An employee of the district may not serve as a temporary director.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.023. TEMPORARY OFFICERS. (a) The temporary board shall elect a president and a vice president from among the temporary directors.

(b) The temporary board shall appoint a secretary, who need not be a temporary director.

(c) The temporary board shall fill a vacancy in a board office for the remainder of the unexpired term.
Sec. 1120.051. BOARD ELECTION; TERM. (a) The board consists of nine directors elected at large.

(b) An election shall be held each year on an authorized uniform election date to elect the appropriate number of directors.

(c) Directors serve staggered two-year terms.

Sec. 1120.052. NOTICE. Notice of the directors' election shall be published at least once in a newspaper with general circulation in the district in accordance with Section 4.003(a), Election Code.

Sec. 1120.053. QUALIFICATION FOR OFFICE. (a) To be eligible to hold office on the board, a person must be:

(1) a resident of the district; and

(2) a qualified voter.

(b) An administrator or an employee of the district may not serve as a director.

Sec. 1120.054. DIRECTOR'S BOND. (a) Before assuming the duties of office, each director must execute a bond in the amount of $5,000 payable to the district and conditioned on the faithful performance of the director's duties.

(b) The bond shall be kept in the permanent records of the district.

(c) The board may pay for a director's bond with district
money.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.056. OFFICERS. (a) The board shall elect a president and a vice president from among the directors.
(b) The board shall appoint a secretary, who need not be a director.
(c) Each officer of the board serves a one-year term.
(d) The board shall fill a vacancy in a board office for the remainder of the unexpired term.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.057. COMPENSATION; REIMBURSEMENT. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business.
Sec. 1120.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S BOND.
(a) The board may appoint a qualified person as district administrator.
(b) The district administrator serves at the will of the board.
(c) The district administrator is entitled to compensation determined by the board.
(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount not less than $5,000, as determined by the board, conditioned on the faithful performance of the administrator's duties.
(e) The board may pay for the bond with district money.

Sec. 1120.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district; and
(2) direct the general affairs of the district.

Sec. 1120.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as assistant district administrator and attorney for the district.
(b) The assistant district administrator and attorney for the district serve at the will of the board.
(c) The assistant district administrator and attorney for the district are entitled to compensation determined by the board.
Sec. 1120.062. EMPLOYEES. (a) The district may employ nurses, technicians, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. The board may:

(1) appoint to the medical staff any doctor the board considers necessary for the efficient operation of the district;

(2) remove any doctor from the medical staff, after due process, if the board considers the doctor's removal necessary for the efficient operation of the district; and

(3) make temporary appointments to the medical staff as the board considers necessary.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1120.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and providing medical and hospital care for the district's needy residents.
Sec. 1120.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district.

Sec. 1120.103. RULES. The board may adopt rules governing:
(1) the operation of the hospital and hospital system; and
(2) the duties, functions, and responsibilities of district staff and employees.

Sec. 1120.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Sec. 1120.105. PROVISION OF CERTAIN HEALTH SERVICES. (a) The district may operate or provide for the operation of a mobile emergency medical service.
(b) The district may operate or provide for home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care.
Sec. 1120.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate hospital system; and
(2) the type of equipment necessary for hospital care.
(b) The board may:
(1) acquire property, facilities, and equipment for the district for use in the hospital system;
(2) mortgage or pledge the property, facilities, or equipment as security for payment of the purchase price;
(3) sell or otherwise dispose of property, facilities, or equipment for the district; or
(4) lease hospital facilities for the district.
Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital facilities for the district.
Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.108. SERVICE CONTRACTS. (a) The board may contract with a public or private hospital, a political subdivision of the state, or a state or federal agency for the district to provide a mobile emergency medical service or other health care services needed to provide for the investigatory or welfare needs of residents of the district.
(b) The board may contract with a person to receive or supply the services the board considers necessary for the effective operation of the district.
Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.109. EMINENT DOMAIN. (a) The district may exercise
the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit with the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide bond or other security for costs in the trial court;
(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or
(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district shall pay the actual cost of that activity to provide a comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or provision in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff.
Sec. 1120.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and

(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall call witnesses, hear and resolve the question, and issue a final order. The order may be appealed to a district court in any county in which the district is located. The substantial evidence rule applies to an appeal under this subsection.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.113. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located
outside of the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or hospital, as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Wood County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Wood County and is not a resident of the district.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.114. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.115. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a construction contract on the district’s behalf.

(b) The board may enter into a construction contract only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code, if the amount of the contract is greater than the amount provided by Section 271.024 of that code.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1120.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
the amount of cash on hand to the credit of each fund of the district;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenues and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed budget.
(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.
(c) Any district resident is entitled to be present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make a change in the proposed budget that the board determines to be in the interests of the taxpayers.
(e) The budget is effective only after adoption by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.154. FISCAL YEAR. (a) The district operates
according to a fiscal year established by the board.

(b) The fiscal year may not be changed:
(1) during a period in which revenue bonds of the district are outstanding; or
(2) more than once in a 24-month period.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.155. ANNUAL AUDIT. The board shall have an annual audit made of the financial condition of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the principal office of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board a sworn statement of the amount of district money and an account of the disbursement of that money.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.158. DEBT LIMITATION. Except as provided by this chapter and Chapter 1207, Government Code, the district may not incur a debt payable from district revenue other than revenue available in the current fiscal year and the immediately following fiscal year of the district.
Sec. 1120.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) The board may solicit bids from local financial institutions to determine which institution may serve as a depository for district money.

(c) District money, other than money invested as provided by Section 1120.160 and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the board's power to place part of the district's money on time deposit or to purchase certificates of deposit.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.160. RESTRICTION ON INVESTMENT. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

SUBCHAPTER E. BONDS

Sec. 1120.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical service.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.
Sec. 1120.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1120.201, the board shall impose an ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may order a bond election. The order calling the election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of polling places;
   (4) the amounts of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(c) Notice of a bond election must be given as provided by Chapter 1251, Government Code.

(d) The board shall declare the results of the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.204. REVENUE BONDS. (a) The board may issue revenue bonds to:
   (1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for hospital purposes;
   (2) acquire sites to be used for hospital purposes; or
   (3) acquire and operate a mobile emergency medical service
to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by county hospital authorities.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.205. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.206. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.207. BONDS NOT SUBJECT TO TAXATION. The following are not subject to taxation by the state or by a political subdivision of the state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.
SUBCHAPTER F.  AD VALOREM TAX

Sec. 1120.251.  IMPOSITION OF AD VALOREM TAX.  (a)  The board shall impose a tax on all property in the district subject to hospital district taxation.

(b)  The tax may be used to pay:
(1)  indebtedness issued or assumed by the district; and
(2)  the maintenance and operating expenses of the district.

(c)  The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.252.  TAX RATE.  (a)  The tax rate on all taxable property in the district for all purposes may not exceed 75 cents on each $100 valuation of the property according to the most recent certified tax appraisal roll of the district.

(b)  In setting the tax rate, the board shall consider district income from sources other than taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.253.  TAX ASSESSOR-COLLECTOR.  The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

SUBCHAPTER G.  DISSOLUTION

Sec. 1120.301.  DISSOLUTION; ELECTION.  (a)  The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

(b)  The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.
(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the district's registered voters.

(d) The order calling the election must state:
   (1) the nature of the election, including the proposition that is to appear on the ballot;
   (2) the date of the election;
   (3) the hours during which the polls will be open; and
   (4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 30th day before the date set for the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Mineola Area Medical District."

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b) If a majority of the votes in an election under this subchapter do not favor dissolution, the board shall continue to administer the district, and another election on the question of
dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets belonging to the district to Wood County or another governmental entity in Wood County; or

(2) administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board determines that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit
the funds to the tax assessor-collector for the county in which the taxpayer resides.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Wood County Commissioners Court summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Wood County Commissioners Court receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

CHAPTER 1121. CAMERON COUNTY HEALTHCARE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1121.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Cameron County Healthcare District.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.002. DISTRICT AUTHORIZATION. The Cameron County Healthcare District may be created and, if created, operates and is financed as a hospital district as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.
Sec. 1121.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Cameron County.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

**SUBCHAPTER A-1. TEMPORARY PROVISIONS**

Sec. 1121.021. CREATION ELECTION; ORDERING ELECTION. (a) The district may be created and a tax may be authorized only if the creation and the tax are approved by a majority of the registered voters of the territory of the proposed district voting at an election called and held for that purpose.

(b) The Cameron County Commissioners Court shall order an election for the registered voters of Cameron County on the question of creation of the Cameron County Healthcare District if the...
commissioners court receives a petition requesting an election that is signed by at least 100 registered voters who are residents of Cameron County.

(c) The order calling an election under this section must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

(e) The Cameron County Commissioners Court shall give notice of an election under this section by publishing a substantial copy of the election order in a newspaper with general circulation in Cameron County once a week for two consecutive weeks. The first publication must appear not later than the 30th day before the date set for the election.

(f) The ballot for an election under this section must be printed to permit voting for or against the proposition: "The creation of the Cameron County Healthcare District, providing for the imposition of an ad valorem tax at a rate determined by the board of directors of the district, which rate may not exceed 25 cents on each $100 valuation of all taxable property in the district. District funds shall be used for district purposes, including providing medical and hospital care for the needy inhabitants of Cameron County, improving health care services for inhabitants of Cameron County, supporting the School of Medicine at The University of Texas Rio Grande Valley, training physicians, nurses, and other health care professionals, obtaining federal or state funds for health care services, and providing community health clinics, primary care services, behavioral and mental health care services, and prevention and wellness programs."

(g) The Cameron County Commissioners Court shall find that the Cameron County Healthcare District is created if a majority of the voters voting in the election held under this section favor the creation of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.
SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1121.051. DIRECTORS; TERM. (a) If the creation of the district is approved at the election held under Section 1121.021, the district shall be governed by a board of nine directors, appointed as follows:

(1) the county judge of Cameron County shall appoint one director;

(2) each county commissioner serving on the Cameron County Commissioners Court shall appoint one director; and

(3) the governing bodies of the four municipalities located in Cameron County that have the greatest amounts of taxable value of property taxable by the district located within their corporate boundaries shall each appoint one director.

(b) Directors serve staggered three-year terms, with three directors' terms expiring each year. The initial directors appointed under this section shall draw lots as follows to determine:

(1) for the directors appointed by the governing bodies of the municipalities in Cameron County described by Subsection (a), which director serves a one-year term, which two directors serve a two-year term, and which director serves a three-year term; and

(2) for the directors appointed by the Cameron County Commissioners Court, including the director appointed by the county judge of Cameron County, which two directors serve a one-year term, which director serves a two-year term, and which two directors serve a three-year term.

(c) On expiration of the initial directors' terms, successor directors shall be appointed for a three-year term by the person or governing body that appointed the initial director.

(d) A director may not serve more than three consecutive three-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.052. ELIGIBILITY FOR APPOINTMENT TO BOARD. A person is not eligible for appointment to the board if the person is:

(1) an employee of Cameron County;
(2) an employee of a municipality located in the district; 
(3) a district employee; or 
(4) related within the third degree of consanguinity or affinity, as determined under Subchapter B, Chapter 573, Government Code, to a member of the Commissioners Court of Cameron County, to a member of the governing body of a municipality located in the district, or to a person described by Subdivision (1), (2), or (3).

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.053. OFFICERS. (a) The board shall elect from among the directors:
   (1) a chair; and 
   (2) a vice chair to preside in the chair's absence.

(b) The board shall elect a director or the district administrator to serve as secretary.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.054. COMPENSATION; REIMBURSEMENT. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
   (1) reported in the district's records; and 
   (2) approved by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.055. DIRECTOR'S BOND. (a) Before assuming the duties of office, each director must execute a bond in the amount of $5,000 payable to the district and conditioned on the faithful performance of the director's duties.

(b) The bond shall be kept in the permanent records of the district.

(c) The board may pay for a director's bond with district
money.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.056. BOARD VACANCY. A vacancy in the office of director shall be filled for the remainder of the unexpired term by appointment by the person or governing body that appointed the vacating director.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.057. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.058. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S BOND.

(a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board.

(c) The district administrator is entitled to compensation determined by the board.

(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount not less than $5,000, as determined by the board, conditioned on the faithful performance of the administrator's duties.

(e) The board may pay for the bond with district money.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

Subject to the limitations prescribed by the board, the district
administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as assistant district administrator and attorney for the district.

(b) The assistant district administrator and attorney for the district serve at the will of the board.

(c) The assistant district administrator and attorney for the district are entitled to compensation determined by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.061. EMPLOYEES. (a) The district may employ nurses, technicians, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary actions to recruit physicians and other persons to serve as medical staff members or district employees. The actions may include:

(1) advertising and marketing;

(2) paying travel, recruitment, and relocation expenses;

(3) providing a loan or scholarship to a physician or a person currently enrolled in health care education courses at an institution of higher education who contracts to become a medical staff member or district employee; or
contracting with a full-time medical student or other student in a health occupation who is enrolled in and in good standing at an accredited medical school, college, or university to pay the student's tuition or other expenses for the consideration of the student agreeing to serve as an employee or independent contractor for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. The board may:

(1) appoint to the medical staff any doctor the board considers necessary for the efficient operation of the district;
(2) remove any doctor from the medical staff, after due process, if the board considers the doctor's removal necessary for the efficient operation of the district; and
(3) make temporary appointments to the medical staff as the board considers necessary.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or
(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1121.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating the district's hospital facilities and providing medical and hospital care for the district's needy
inhabitants.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district and the money and resources of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.103. RULES. The board may adopt rules governing:

(1) the operation of the district and any district hospital; and

(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method of making purchases and expenditures by and for the district; and

(2) accounting and control procedures for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.105. PROVISION OF CERTAIN HEALTH SERVICES. (a) The district may operate or provide for the operation of a mobile emergency medical service.

(b) The district may operate or provide for home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care.
Sec. 1121.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine:
   (1) the type, number, and location of buildings required to maintain an adequate health care district; and
   (2) the type of equipment necessary to provide medical care in the district.
(b) The board may:
   (1) acquire property, facilities, and equipment for use by the district;
   (2) mortgage or pledge the property, facilities, or equipment as security for payment of the purchase price;
   (3) sell or otherwise dispose of property, facilities, or equipment for the district; or
   (4) lease hospital facilities for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital or other health care facilities for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.108. SERVICE CONTRACTS. (a) The board may contract with public or private hospitals, clinics, physicians or other health care providers, political subdivisions of the state, accredited public or private medical schools and their affiliated nonprofit entities or faculty practice plans, allied health education institutions, or state and federal agencies for the district to provide a mobile emergency medical service or other medical, hospital, or health care services needed to provide for the investigatory, welfare, medical, or health care needs of inhabitants of the district.
(b) The board may contract with a person to receive or supply the services the board considers necessary for the effective operation of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit with the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide bond or other security for costs in the trial court;

(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district shall pay the actual cost of that activity to provide a comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff.
Sec. 1121.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or provision in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility or receives medical or hospital care from the district, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and
(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall call witnesses, hear and resolve the
question, and issue a final order. The order may be appealed to a
district court in Cameron County. The substantial evidence rule
applies to an appeal under this subsection.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff.
May 28, 2015.

Sec. 1121.113. REIMBURSEMENT FOR SERVICES. (a) If the
district provides care or treatment to a sick or injured person who
is not an inhabitant of Cameron County, the board shall require the
county, municipality, or public hospital located outside of the
district and in which the person is an inhabitant to reimburse the
district for the district's care and treatment of that person as
provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Cameron County to
reimburse the district for the district's care and treatment of a
person who is confined in a jail facility of Cameron County and is
not a resident of the district.

(c) On behalf of the district, the board may contract with the
state or federal government for that government to reimburse the
district for treatment of a sick or injured person.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff.
May 28, 2015.

Sec. 1121.114. NONPROFIT CORPORATION. (a) The district may
create and sponsor a nonprofit corporation under the Business
Organizations Code and may contribute money to or solicit money for
the corporation.

(b) A corporation created under this section may use money
contributed by the district only for a district purpose, including
the provision of health care or other services the district is
authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any
manner in which the district may invest the district's money,
including investing money as authorized by Chapter 2256, Government
Code.

(d) The board shall establish controls to ensure that the
corporation uses its money as required by this section.
Sec. 1121.115. LOANS AND GRANTS FOR ECONOMIC DEVELOPMENT PURPOSES. Under the authority granted by Section 52-a, Article III, Texas Constitution, the district may loan or grant money to any person for the development of medical education and research in the district.

Sec. 1121.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Sec. 1121.117. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a construction contract on the district's behalf.

(b) The board may enter into a construction contract only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code, if the amount of the contract is greater than the amount provided by Section 271.024 of that code.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1121.151. BUDGET. (a) The board and the district administrator shall jointly prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand to the credit of each fund
of the district;
   (3) the amount of money received by the district from all sources during the previous year;
   (4) the amount of money available to the district from all sources during the ensuing year;
   (5) the amount of the balances expected at the end of the year in which the budget is being prepared;
   (6) the estimated amount of revenues and balances available to cover the proposed budget; and
   (7) the estimated tax rate required.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed budget.
   (b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.
   (c) Any district resident is entitled to be present and participate at the hearing.
   (d) At the conclusion of the hearing, the board shall adopt a budget by acting on the proposed budget. The board may make a change in the proposed budget that the board determines to be in the interests of the taxpayers.
   (e) The budget is effective only after adoption by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended if the proposed amendment is adopted by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.154. FISCAL YEAR. (a) The district operates
according to a fiscal year established by the board.

(b) The fiscal year may not be changed:
   (1) during a period in which revenue bonds of the district are outstanding; or
   (2) more than once in a 24-month period.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.155. ANNUAL AUDIT. The board shall have an annual audit made of the financial condition of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the principal office of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board a sworn statement of the amount of district money and an account of the disbursement of that money.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.158. SHORT-TERM FINANCING. The district may borrow money through short-term financing.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.
Sec. 1121.159. DEBT LIMITATION. Except as provided by this chapter and Chapter 1207, Government Code, the district may not incur a debt payable from district revenue other than revenue available in the current fiscal year and the immediately following fiscal year of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.160. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) The board may solicit bids from local financial institutions to determine which institution may serve as a depository for district money.

(c) District money, other than money invested as provided by Section 1121.161 and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the board's power to place part of the district's money on time deposit or to purchase certificates of deposit.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.161. RESTRICTION ON INVESTMENT. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

**SUBCHAPTER E. BONDS**

Sec. 1121.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;
(2) equip buildings or improvements for district purposes; or
(3) acquire and operate a mobile emergency medical service.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1121.201, the board shall impose an ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may order a bond election. The order calling the election must specify:
   (1) the nature and date of the election;
   (2) the hours during which the polls will be open;
   (3) the location of polling places;
   (4) the amounts of the bonds to be authorized; and
   (5) the maximum maturity of the bonds.

(c) Notice of a bond election must be given as provided by Chapter 1251, Government Code.

(d) The board shall declare the results of the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.
Sec. 1121.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for district purposes;
(2) acquire sites to be used for district purposes; or
(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by county hospital authorities.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.205. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.206. EXECUTION OF BONDS. (a) The board chair shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.207. BONDS NOT SUBJECT TO TAXATION. The following are not subject to taxation by the state or by a political subdivision of the state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

SUBCHAPTER F. AD VALOREM TAX

Sec. 1121.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to taxation by the district.

(b) The tax may be used to pay:
(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.252. LIMITATION ON TAX RATE. (a) The tax rate on all taxable property in the district for all purposes may not exceed 25 cents on each $100 valuation of the property according to the most recent certified tax appraisal roll of the district.

(b) In setting the tax rate, the board shall consider district income from sources other than taxation.

(c) Section 285.231, Health and Safety Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.253. REDUCTION IN AD VALOREM TAX RATE BY COUNTY. The Cameron County Commissioners Court, in determining the county ad valorem tax rate for the first year in which the district imposes ad valorem taxes on property in the district, shall:

(1) take into account the decrease in the amount the county will spend for health care purposes in that year because the district is providing health care services previously provided or paid for by
the county; and

(2) reduce the county's ad valorem tax rate in accordance with the decreased amount of required spending described by Subdivision (1).

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.254. RESIDENCE HOMESTEAD TAX PROVISIONS APPLICABLE. (a) The board shall ensure that all district residents receive all ad valorem tax exemptions and limitations that the residents are entitled to receive under the constitution and the Tax Code.

(b) The board shall adopt an exemption from ad valorem taxation by the district of a portion of the appraised value of a district resident's residence homestead as provided by Section 11.13(d), Tax Code. Unless the board specifies a larger amount as provided by Section 11.13(e), Tax Code, the amount of the exemption required to be adopted by the board under this subsection is $3,000 of the appraised value of a district resident's residence homestead. Section 11.13(f), Tax Code, applies to an exemption adopted by the board under this subsection.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.255. PROHIBITION ON PARTICIPATION IN TAX INCREMENT FUND. The district may not enter into an agreement to participate in a reinvestment zone designated by a municipality or a county under Chapter 311, Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.256. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.
Sec. 1121.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the district's registered voters.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 30th day before the date set for the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Cameron County Healthcare
Sec. 1121.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b) If a majority of the votes in an election under this subchapter do not favor dissolution, the board shall continue to administer the district, and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Sec. 1121.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets belonging to the district to Cameron County; or

(2) administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county assumes all debts and obligations of the district at the time of the transfer and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Sec. 1121.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board determines that the district is dissolved, the
board shall:
(1) determine the debt owed by the district; and
(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.
(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.
(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the funds to the tax assessor-collector for Cameron County.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Cameron County Commissioners Court summarizing the board's actions in dissolving the district.
(b) Not later than the 10th day after the date the Cameron County Commissioners Court receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

CHAPTER 1122. HIDALGO COUNTY HEALTHCARE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1122.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Hidalgo County Healthcare District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5,
Sec. 1122.002. DISTRICT AUTHORIZATION. The Hidalgo County Healthcare District may be created and, if created, operates and is financed as a hospital district as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 2, eff. June 10, 2015.

Sec. 1122.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hidalgo County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The
The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

**SUBCHAPTER A-1. TEMPORARY PROVISIONS**

Sec. 1122.021. CREATION ELECTION; ORDERING ELECTION. (a) The district may be created and a tax may be authorized only if the creation and the tax are approved by a majority of the registered voters of the territory of the proposed district voting at an election called and held for that purpose.

(b) The Hidalgo County Commissioners Court shall order an election for the registered voters of Hidalgo County on the question of creation of the Hidalgo County Healthcare District if the commissioners court receives a petition requesting an election that is signed by at least 50 registered voters who are residents of Hidalgo County.

(c) The order calling an election under this section must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

(e) The Hidalgo County Commissioners Court shall give notice of an election under this section by publishing a substantial copy of the election order in a newspaper with general circulation in Hidalgo County once a week for two consecutive weeks. The first publication must appear not later than the 30th day before the date set for the election.

(f) The ballot for an election under this section must be printed to permit voting for or against the proposition: "The creation of the Hidalgo County Healthcare District, providing for the imposition of an ad valorem tax on all taxable property in the district. The initial ad valorem tax shall be imposed at the rate of ______ (insert amount) cents on the $100 valuation of all taxable property."

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property in the district. District funds shall be used for district purposes, including improving health care services for residents of Hidalgo County, supporting the School of Medicine at The University of Texas Rio Grande Valley, training physicians, nurses, and other health care professionals, obtaining federal or state funds for health care services, and providing community health clinics, primary care services, behavioral and mental health care services, and prevention and wellness programs."

(g) The Hidalgo County Commissioners Court shall find that the Hidalgo County Healthcare District is created if a majority of the voters voting in the election held under this section favor the creation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 4, eff. June 10, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1122.051. DIRECTORS; TERM. (a) If the creation of the district is approved at the election held under Section 1122.021, the district shall be governed by a board of 10 directors, appointed as follows:

(1) the county judge of Hidalgo County shall appoint one director;

(2) each county commissioner serving on the Hidalgo County Commissioners Court shall appoint one director;

(3) the governing body of the most populous municipality in Hidalgo County shall appoint two directors; and

(4) the governing bodies of the second, third, and fourth most populous municipalities in Hidalgo County shall each appoint one director.

(b) Directors serve staggered three-year terms, with three or four directors' terms expiring each year. The initial directors appointed under this section shall draw lots as follows to determine:

(1) for the directors appointed by the governing bodies of the municipalities in Hidalgo County described by Subsection (a), which two directors serve a one-year term, which two directors serve
a two-year term, and which director serves a three-year term; and

(2) for the directors appointed by the Hidalgo County Commissioners Court, including the director appointed by the county judge of Hidalgo County, which two directors serve a one-year term, which director serves a two-year term, and which two directors serve a three-year term.

(c) On expiration of the initial directors' terms, successor directors shall be appointed for a three-year term by the person or governing body that appointed the initial director.

(d) A director may not serve more than three consecutive three-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Amended by:

 Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 5, eff. June 10, 2015.

Sec. 1122.052. QUALIFICATIONS. The Hidalgo County Commissioners Court shall by order provide for the qualifications of appointees to the board. The qualifications must provide that a person is not eligible for appointment to the board if the person is:

(1) an employee of Hidalgo County;
(2) an employee of a municipality located in the district;
(3) a district employee; or
(4) related within the third degree of consanguinity or affinity, as determined under Subchapter B, Chapter 573, Government Code, to a member of the Commissioners Court of Hidalgo County, to a member of the governing body of a municipality located in the district, or to a person described by Subdivision (1), (2), or (3).

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Amended by:

 Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 6, eff. June 10, 2015.

Sec. 1122.053. OFFICERS. (a) The board shall elect from among the directors:
(1) a chairman; and
(2) a vice-chairman to preside in the chairman's absence.
(b) The board shall elect a director or the district administrator to serve as secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.054. COMPENSATION; REIMBURSEMENT. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:
(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.055. DIRECTOR'S BOND. (a) Before assuming the duties of office, each director must execute a bond in the amount of $5,000 payable to the district and conditioned on the faithful performance of the director's duties.
(b) The bond shall be kept in the permanent records of the district.
(c) The board may pay for a director's bond with district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.056. BOARD VACANCY. A vacancy in the office of director shall be filled for the remainder of the unexpired term by appointment by the person or governing body that appointed the vacating director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:
Sec. 1122.057. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business. In the event of a tie vote among the directors, the county judge of Hidalgo County may cast the deciding vote.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Amended by:
   Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 7, eff. June 10, 2015.

Sec. 1122.058. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S BOND.
(a) The board may appoint a qualified person as district administrator.
(b) The district administrator serves at the will of the board.
(c) The district administrator is entitled to compensation determined by the board.
(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount not less than $5,000, as determined by the board, conditioned on the faithful performance of the administrator's duties.
   (e) The board may pay for the bond with district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to the limitations prescribed by the board, the district administrator shall:
   (1) supervise the work and activities of the district; and
   (2) direct the general affairs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Sec. 1122.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as assistant district administrator and attorney for the district.

(b) The assistant district administrator and attorney for the district serve at the will of the board.

(c) The assistant district administrator and attorney for the district are entitled to compensation determined by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.061. EMPLOYEES. (a) The district may employ nurses, technicians, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary actions to recruit physicians and other persons to serve as medical staff members or district employees. The actions may include:

1. advertising and marketing;
2. paying travel, recruitment, and relocation expenses;
3. providing a loan or scholarship to a physician or a person currently enrolled in health care education courses at an institution of higher education who contracts to become a medical staff member or district employee; or
4. contracting with a full-time medical student or other student in a health occupation who is enrolled in and in good standing at an accredited medical school, college, or university to pay the student's tuition or other expenses for the consideration of the student agreeing to serve as an employee or independent contractor for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5,
Sec. 1122.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. The board may:

(1) appoint to the medical staff any doctor the board considers necessary for the efficient operation of the district;

(2) remove any doctor from the medical staff, after due process, if the board considers the doctor's removal necessary for the efficient operation of the district; and

(3) make temporary appointments to the medical staff as the board considers necessary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:
   (A) the Texas County and District Retirement System; or
   (B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1122.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and providing medical and hospital care for the district's indigent residents as required under this chapter, another applicable statute, and the constitution of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 8, eff. June 10, 2015.
Sec. 1122.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district and the money and resources of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 8, eff. June 10, 2015.

Sec. 1122.103. RULES. The board may adopt rules governing:
(1) the operation of the district and any district hospital; and
(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 8, eff. June 10, 2015.

Sec. 1122.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:
(1) the method of making purchases and expenditures by and for the district; and
(2) accounting and control procedures for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.105. PROVISION OF CERTAIN HEALTH SERVICES. (a) The district may operate or provide for the operation of a mobile emergency medical service.

(b) The district may operate or provide for home health services, long-term care, skilled nursing care, intermediate nursing
Sec. 1122.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.
(a) The board shall determine:
(1) the type, number, and location of buildings required to maintain an adequate health care district; and
(2) the type of equipment necessary to provide medical care in the district.
(b) The board may:
(1) acquire property, facilities, and equipment for use by the district;
(2) mortgage or pledge the property, facilities, or equipment as security for payment of the purchase price;
(3) sell or otherwise dispose of property, facilities, or equipment for the district; or
(4) lease hospital facilities for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:
Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 8, eff. June 10, 2015.

Sec. 1122.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital facilities for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.108. SERVICE CONTRACTS. (a) The board may contract with a public or private hospital, a political subdivision of the state, or a state or federal agency for the district to provide a mobile emergency medical service or other health care services needed to provide for the investigatory or welfare needs of residents of the
district.

(b) The board may contract with a person to receive or supply the services the board considers necessary for the effective operation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit with the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide bond or other security for costs in the trial court;

(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district shall pay the actual cost of that activity to provide a comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.
Sec. 1122.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or provision in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and

(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall call witnesses, hear and resolve the
question, and issue a final order. The order may be appealed to a
district court in any county in which the district is located. The
substantial evidence rule applies to an appeal under this subsection.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5,
eff. September 1, 2013.

Sec. 1122.113. REIMBURSEMENT FOR SERVICES. (a) The board
shall require a county, municipality, or public hospital located
outside of the district to reimburse the district for the district's
care and treatment of a sick or injured person of that county,
municipality, or hospital, as provided by Chapter 61, Health and
Safety Code.

(b) The board shall require the sheriff of Hidalgo County to
reimburse the district for the district's care and treatment of a
person who is confined in a jail facility of Hidalgo County and is
not a resident of the district.

(c) On behalf of the district, the board may contract with the
state or federal government for that government to reimburse the
district for treatment of a sick or injured person.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5,
eff. September 1, 2013.

Sec. 1122.114. NONPROFIT CORPORATION. (a) The district may
create and sponsor a nonprofit corporation under the Business
Organizations Code and may contribute money to or solicit money for
the corporation.

(b) A corporation created under this section may use money
contributed by the district only to provide health care or other
services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any
manner in which the district may invest the district's money,
including investing money as authorized by Chapter 2256, Government
Code.

(d) The board shall establish controls to ensure that the
corporation uses its money as required by this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5,
Sec. 1122.115. LOANS AND GRANTS FOR ECONOMIC DEVELOPMENT PURPOSES. Under the authority granted by Section 52-a, Article III, Texas Constitution, the district may loan or grant money to any person for the development of medical education and research in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.117. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a construction contract on the district's behalf.

(b) The board may enter into a construction contract only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code, if the amount of the contract is greater than the amount provided by Section 271.024 of that code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1122.151. BUDGET. (a) The board and the district administrator shall jointly prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;

(2) the amount of cash on hand to the credit of each fund of the district;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenues and balances available to cover the proposed budget; and
(7) the estimated tax rate required.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 9, eff. June 10, 2015.

Sec. 1122.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed budget.
(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.
(c) Any district resident is entitled to be present and participate at the hearing.
(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the proposed budget. The board may make a change in the proposed budget that the board determines to be in the interests of the taxpayers.
(e) The budget is effective only after:
(1) adoption by the board; and
(2) approval by the Hidalgo County Commissioners Court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 10, eff. June 10, 2015.

Sec. 1122.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended if the proposed amendment is:
Sec. 1122.154. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period in which revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Sec. 1122.155. ANNUAL AUDIT. The board shall have an annual audit made of the financial condition of the district.

Sec. 1122.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the principal office of the district.

Sec. 1122.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board a sworn statement of the amount of district money and an account of the disbursement of that money.
Sec. 1122.158. SHORT-TERM FINANCING. The district may borrow money through short-term financing.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.159. DEBT LIMITATION. Except as provided by this chapter and Chapter 1207, Government Code, the district may not incur a debt payable from district revenue other than revenue available in the current fiscal year and the immediately following fiscal year of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.160. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) The board may solicit bids from local financial institutions to determine which institution may serve as a depository for district money.

(c) District money, other than money invested as provided by Section 1122.161 and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the board's power to place part of the district's money on time deposit or to purchase certificates of deposit.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.161. RESTRICTION ON INVESTMENT. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Statute text rendered on: 6/18/2019
Sec. 1122.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for district purposes;

or

(3) acquire and operate a mobile emergency medical service.

Sec. 1122.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1122.201, the board shall impose an ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of taxes.

Sec. 1122.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may order a bond election. The order calling the election must specify:
(1) the nature and date of the election;
(2) the hours during which the polls will be open;
(3) the location of polling places;
(4) the amounts of the bonds to be authorized; and
(5) the maximum maturity of the bonds.

(c) Notice of a bond election must be given as provided by Chapter 1251, Government Code.

(d) The board shall declare the results of the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for district purposes;
(2) acquire sites to be used for district purposes; or
(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by county hospital authorities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 13, eff. June 10, 2015.

Sec. 1122.205. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5,
Sec. 1122.206. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.207. BONDS NOT SUBJECT TO TAXATION. The following are not subject to taxation by the state or by a political subdivision of the state:

(1) bonds issued by the district;
(2) any transaction relating to the bonds; and
(3) profits made in the sale of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

SUBCHAPTER F. AD VALOREM TAX

Sec. 1122.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to taxation by the district.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and
(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 14, eff. June 10, 2015.

Sec. 1122.252. LIMITATION ON TAX RATE. (a) Unless a higher
rate is approved at an election held as provided by Section 1122.2521, the tax rate on all taxable property in the district for all purposes may not exceed 25 cents on each $100 valuation of the property according to the most recent certified tax appraisal roll of the district.

(b) In setting the tax rate, the board shall consider district income from sources other than taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 15, eff. June 10, 2015.
Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 16, eff. June 10, 2015.

Sec. 1122.2521. ELECTION REQUIRED TO INCREASE TAX RATE. (a) The board may order an election to increase the district's maximum ad valorem tax rate to a rate greater than the maximum rate provided by Section 1122.252.

(b) The ballot for an election held under this section must be printed to permit voting for or against the proposition: "The imposition of taxes by the Hidalgo County Healthcare District for district purposes at a rate not to exceed ____ (insert amount) cents on the $100 valuation of all property in the district."

(c) The board may impose taxes at the rate authorized by the proposition if a majority of voters voting at an election held under this section favor the proposition.

(d) This section does not authorize the board to impose taxes at a rate that exceeds the maximum ad valorem tax rate authorized by Section 9, Article IX, Texas Constitution.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 17, eff. June 10, 2015.

The following section was amended by the 86th Legislature. Pending
publication of the current statutes, see S.B. 2, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE. (a) If in any year the board adopts a tax rate that exceeds the rollback tax rate calculated as provided by Chapter 26, Tax Code, the qualified voters of the district by petition may require that an election be held to determine whether or not to reduce the tax rate adopted by the board for that year to the rollback tax rate.

(b) To the extent a conflict exists between this section and a provision of the Tax Code, the provision of the Tax Code prevails.

Added by Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 17, eff. June 10, 2015.

Sec. 1122.2523. RESIDENCE HOMESTEAD TAX PROVISIONS APPLICABLE. (a) The board shall ensure that all district residents receive all ad valorem tax exemptions and limitations that the residents are entitled to receive under the constitution and the Tax Code, including the exemption of the total appraised value of the residence homestead of a fully disabled veteran or the disabled veteran's surviving spouse required by Section 11.131, Tax Code.

(b) The board shall adopt an exemption from ad valorem taxation by the district of a portion of the appraised value of a district resident's residence homestead as provided by Section 11.13(d), Tax Code. Unless the board specifies a larger amount as provided by Section 11.13(e), Tax Code, the amount of the exemption required to be adopted by the board under this subsection is $3,000 of the appraised value of a district resident's residence homestead. Section 11.13(f), Tax Code, applies to an exemption adopted by the board under this subsection.

Added by Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 17, eff. June 10, 2015.

Sec. 1122.2524. PROHIBITION ON PARTICIPATION IN TAX INCREMENT FUND. The district may not enter into an agreement to participate in a reinvestment zone designated by a municipality or a county under Chapter 311, Tax Code.
Sec. 1122.2525.  REDUCTION IN AD VALOREM TAX RATE BY COUNTY.  The Hidalgo County Commissioners Court, in determining the county ad valorem tax rate for the first year in which the district imposes ad valorem taxes on property in the district, shall:

(1) take into account the decrease in the amount the county will spend for health care purposes in that year because the district is providing health care services previously provided or paid for by the county; and

(2) reduce the county's ad valorem tax rate in accordance with the decreased amount of required spending described by Subdivision (1).

Sec. 1122.253.  TAX ASSESSOR-COLLECTOR.  The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

SUBCHAPTER G. DISSOLUTION

Sec. 1122.301.  DISSOLUTION; ELECTION.  (a) The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the district's registered voters.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition
that is to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 30th day before the date set for the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Hidalgo County Healthcare District."

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:
Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 18, eff. June 10, 2015.

Sec. 1122.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b) If a majority of the votes in an election under this subchapter do not favor dissolution, the board shall continue to administer the district, and another election on the question of dissolution may not be held before the first anniversary of the date
of the most recent election to dissolve the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets belonging to the district to Hidalgo County or another governmental entity in Hidalgo County; or

(2) administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board determines that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the funds to the tax assessor-collector for Hidalgo County.
Sec. 1122.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Hidalgo County Commissioners Court summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Hidalgo County Commissioners Court receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

Title 4. Development and Improvement
Subtitle A. Agriculture
Chapter 3001. Southeast Texas Agricultural Development District
Subchapter A. General Provisions

Sec. 3001.001. DEFINITIONS. In this chapter:
(1) "Assessment" includes a reassessment or supplemental assessment.
(2) "Board" means the board of directors of the district.
(3) "Director" means a board member.
(4) "District" means the Southeast Texas Agricultural Development District.
(5) "Obligation" means an obligation issued by the district under this chapter, including a bond, certificate, note, or other evidence of indebtedness.
(6) "Project" means an agricultural project designated under Section 3001.110.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
is created as a special district.

(b) The board by resolution may change the district's name.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.003. PURPOSE AND NATURE OF DISTRICT. (a) The district is created as a conservation and reclamation district under Section 59, Article XVI, Texas Constitution, to:

(1) conserve and develop the natural resources of this state, including certain agricultural resources;
(2) conserve the soil for certain agricultural uses;
(3) reclaim or drain overflowed lands or provide necessary irrigation for certain natural agricultural resources; and
(4) provide credit, grants, or other things of value to aid persons as provided by Section 52(a), Article III, Texas Constitution.

(b) The district exercises public and essential governmental functions.

(c) The creation of the district is a program essential to accomplish the purposes of Section 52-a, Article III, Texas Constitution, and other public purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.004. DISTRICT TERRITORY. (a) The district includes all of the territory of Chambers County that is east of the center line of the Trinity River and north of the center line of the Gulf Intracoastal Waterway, other than property located inside the municipal boundaries of an incorporated municipality as of January 1, 1999, as that territory may have been modified under:

(1) Section 3001.116, or its predecessor statute, former Section 384.052, Local Government Code; or
(2) other law.

(b) The boundaries of the district form a closure. A mistake in the description of the boundaries or in copying the description in the legislative process does not affect the district's:

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

(3) right to impose or collect an assessment; or
(4) legality or operation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.005. APPLICABILITY OF AND RELATION TO OTHER LAW. (a) Chapter 49, Water Code, does not apply to the district.
(b) The district's authority under this chapter is not intended to duplicate the authority granted to the Chambers-Liberty Counties Navigation District or to limit the authority or jurisdiction of the navigation district. To the extent the laws of this chapter conflict with the laws of that navigation district, the laws of the navigation district control over this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3001.051. BOARD OF DIRECTORS. (a) The district is governed by a board of nine directors.
(b) The board by resolution may increase or decrease the number of directors on the board if the board determines that to do so is in the best interest of the district. The board may not have more than 15 directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.052. QUALIFICATIONS. (a) To serve as a director, a person must be at least 18 years old and:
(1) reside in the district;
(2) own property in the district; or
(3) be an agent, employee, or tenant of a person who owns property in the district.
(b) At least five directors must reside in or own property in Chambers County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3001.053. TERMS. The county commissioners court shall appoint the directors to serve staggered four-year terms with as near as possible to one-half of the directors' terms expiring on June 1 of each odd-numbered year.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.054. DIRECTOR'S BOND. (a) As soon as practicable after a director is appointed, the director shall execute a $10,000 bond payable to the district and conditioned on the faithful performance of the director's duties.

(b) Each director's bond must be approved by the board.

(c) The bond shall be filed with and retained by the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.055. REMOVAL; VACANCY. (a) The county commissioners court may remove a director for misconduct or failure to carry out the director's duties on petition by a majority of the other directors and after notice and hearing.

(b) If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.056. OFFICERS. (a) The board shall elect from its directors a president, vice president, and secretary.

(b) The board by rule may provide for the election of other officers.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.057. MEETINGS. The board shall meet at least once every three months and at the call of the presiding officer or a majority of the directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3001.058. COMPENSATION; REIMBURSEMENT. A director serves without compensation but shall be reimbursed for a reasonable and necessary expense incurred in performing an official duty.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.059. CONFLICT OF INTEREST; DISCLOSURE REQUIRED. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have similar interests in the same entity; or

(2) all similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with the public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3001.101. GENERAL POWERS AND DUTIES. (a) The district has the powers and duties that are necessary or desirable to carry
out a power or duty expressly or implicitly granted under this chapter.

(b) The district may perform acts necessary to perform the purposes of this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.102. LIMITATION ON DISTRICT POWERS. The district may not exercise a power unless it furthers the purposes of this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.103. EXERCISE OF POWERS OUTSIDE DISTRICT. The district may exercise any of its powers outside the district territory if the board determines that there is a benefit to the district in exercising that power.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.104. IMPOSITION OF AD VALOREM TAX PROHIBITED. The district may not impose an ad valorem tax.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.105. RULEMAKING. The board may adopt rules:

(1) necessary or convenient to carry out district powers and duties;

(2) to govern its affairs;

(3) to preserve the public health and welfare concerning the agricultural products submitted to the district for harvesting, processing, distributing, or transporting; and

(4) to establish a priority on the use of district property and services, including the payment of fees.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3001.106. EXECUTIVE DIRECTOR; EMPLOYEES. The board may employ:

(1) an executive director to manage the district's daily operations; and

(2) other persons necessary to carry out the district's duties.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.107. ECONOMIC DEVELOPMENT. (a) The district may encourage state economic development as provided by this chapter, including making a loan or grant of public money for the purposes of this chapter.

(b) The district may encourage the economic development of the district by:

(1) fostering the growth of enterprises based on certain types of agriculture;

(2) stimulating innovation in certain agricultural enterprises;

(3) seeking to eliminate unemployment or underemployment in the state; and

(4) developing or expanding transportation resources.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.108. AGRICULTURAL DEVELOPMENT. The district may:

(1) promote all agricultural enterprises, facilities, and services of the district; and

(2) encourage the maintenance and conservation of soil in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.109. SUGAR MILL OR OTHER ENTERPRISE. (a) The district may design, construct, and operate a sugar mill or other agricultural enterprise.

(b) The district may acquire property necessary for a sugar mill or other agricultural enterprise, including vehicles, farm
equipment, other machinery, and related facilities for harvesting, processing, storing, distributing, and transporting sugar cane or other agricultural products or by-products.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.110. DESIGNATION OF AGRICULTURAL PROJECTS. (a) The district may designate as an agricultural project a project that relates to:

(1) the development of agriculture in the district and surrounding areas; and

(2) the preservation and conservation of the soil in the district for agricultural purposes.

(b) A project designated under Subsection (a) is for a public purpose.

(c) The cost of a project, including interest during construction and the cost of issuing obligations, may be paid from any source.

(d) The implementation of a project is a governmental function or service for purposes of Chapter 791, Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.111. AGRICULTURAL RESEARCH. The district may conduct or pay for research for agricultural purposes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.112. TRANSPORTATION. The district may encourage the transportation and distribution of the district's agricultural products through the development and operation of transportation structures necessary to further the purposes of this chapter, including railroads and private roads.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.113. RELATIONSHIP WITH NAVIGATION DISTRICT. The
district may cooperate and contract with the Chambers-Liberty Counties Navigation District on any area of mutual interest.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.114. ACQUISITION OR DISPOSITION OF PROPERTY. The district may acquire or dispose of property in any manner, including by:

(1) conveyance;
(2) mortgage; or
(3) lease, as lessor or lessee.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.115. EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.116. ANNEXATION AND EXCLUSION OF TERRITORY. (a) The district may annex land as provided by Section 49.301 or 49.302, Water Code, except that the references in those sections related to taxes do not apply. As provided by those sections, the district may annex land that is not adjacent or contiguous to the district.

(b) The board may call on its own motion a hearing on the question of the exclusion of land from the district as provided by Section 49.304 or 49.307, Water Code, if:

(1) the district does not have outstanding obligations;
and

(2) the proposed exclusion is practicable, just, or desirable.

(c) The board shall call a hearing on the exclusion of land or other property from the district as provided by Section 49.304 or 49.307, Water Code, if a property owner in the district files with the board secretary a written petition requesting the hearing before the issuance of an obligation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3001.117. AGREEMENTS. (a) The district may:

(1) enter into an agreement with any person for any district purpose, including an agreement:

(A) to operate or maintain an agricultural enterprise under Sections 3001.108 and 3001.109; or

(B) with a municipality or county to provide law enforcement service in the district on a fee basis; and

(2) accept a loan from any person.

(b) The district, county, and any other political subdivision, without further authorization, may contract to implement a project or assist the district in providing a service authorized by this chapter. A contract under this subsection may provide:

(1) for payment from a district assessment or other revenue; or

(2) that an assessment or other revenue collected from a project, or from a person using or purchasing a commodity or service from a project, may be paid or rebated to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.118. DONATIONS; GRANTS. The district may accept a donation or grant from any person.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.119. HEARINGS. (a) The board may conduct hearings and take evidence on any matter before the board.

(b) The board may appoint a hearings examiner to conduct a hearing called by the board. The hearings examiner may be a district employee or director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.120. SUITS. (a) The district may sue and be sued.

(b) In a suit against the district, process may be served on a director or registered agent.
(c) The district may not be required to give a bond on an appeal or writ of error in a civil case that the district is prosecuting or defending.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.121. INDEMNIFICATION. The district may indemnify a director or district employee or a former director or district employee for reasonable expenses and costs, including attorney's fees, incurred by the person in connection with a claim or charge asserted against the person if:

(1) the claim or charge relates to an act or omission of the person when acting in the scope of the person's board membership or district employment; and

(2) the person has not been found liable on the claim or guilty on the charge.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.122. OFFICIAL SEAL. The district may adopt an official seal for the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER D. FINANCES AND OBLIGATIONS

Sec. 3001.151. POWERS AND DUTIES RELATED TO FINANCES. (a) The district may:

(1) acquire and dispose of money;

(2) impose a charge for using a facility or a service the district provides;

(3) issue an obligation as provided by this subchapter;

(4) borrow money;

(5) loan money;

(6) invest money under its control in an investment permitted by Chapter 2256, Government Code;

(7) select a depository;

(8) establish a system of accounts for the district; and

(9) set the fiscal year for the district.
(b) The district shall endeavor to raise revenue sufficient to pay the district's debts.

(c) The board by rule shall establish the procedure and number of directors' signatures required to disburse or transfer district money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.152. OBLIGATIONS. (a) The district may issue any type of obligation for any district purpose. An obligation may be issued under Chapter 1371, Government Code.

(b) When authorizing the issuance of an obligation, the district may also authorize the later issuance of a parity or subordinate lien obligation.

(c) A district obligation must:

(1) mature not later than the 40th anniversary of the date of issuance; and

(2) state on its face that the obligation is not a state obligation.

(d) A district obligation may be payable from or secured by:

(1) any source of money, including district revenue, loans, or assessments; or

(2) a lien, pledge, mortgage, or other security interest on district revenue or property.

(e) The district may use obligation proceeds for any purpose, including to pay:

(1) into a reserve fund for debt service;

(2) for the repair or replacement of property, including buildings and equipment;

(3) interest on obligations; or

(4) for the operation of a sugar mill or other agricultural enterprise.

(f) The district may contract with an obligation holder to impose an assessment to pay for the operation of a sugar mill or other agricultural enterprise.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.153. APPROVAL OF ASSESSMENT OBLIGATIONS. An
obligation secured by an assessment may not be issued unless the district receives a written petition requesting the assessment and issuance of obligations. The petition must be signed by each owner of the property proposed for assessment.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER E. ASSESSMENTS

Sec. 3001.201. GENERAL POWERS RELATED TO ASSESSMENTS. (a) The board may impose an assessment:

(1) for a district expense;
(2) to finance a project or district service; or
(3) for any other purpose authorized by this chapter.

(b) Money derived from an assessment for one purpose may not be borrowed for use for another purpose for which an assessment is imposed.

(c) The board shall establish a procedure for the distribution or use of money derived from an assessment that exceeds the amount of money necessary to accomplish the purpose for which the assessment was collected.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.202. AREA TO BE ASSESSED; LIMITATIONS. (a) The board may impose an assessment only on property included in a petition for assessment.

(b) The owner of an improvement constructed in the district, or of land annexed to the district, after the district imposed an assessment may waive the right to notice and an assessment hearing and may agree to the imposition of the assessment on the improvement or land and payment of the assessment at an agreed rate.

(c) The district may not impose an assessment on the property of a person that provides gas, electricity, telephone, sewage, or water service to the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.203. HEARING AND PETITION REQUIRED. The board may
impose an assessment only if:
   (1) a written petition has been filed with the board that:
        (A) requests the assessment;
        (B) states the specific purpose of the assessment; and
        (C) is signed by each owner of the property to be assessed;
   (2) two-thirds of the board votes to impose the assessment;
   (3) the board provides notice of a hearing on the proposal under Section 3001.209; and
   (4) the board holds a hearing on the advisability of the assessment under Section 3001.210.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.204. APPORTIONMENT OF COSTS. (a) The board shall apportion the cost of an assessment to property according to the special benefits accruing to the property because of the project or service to be financed by the assessment. The cost may be assessed:
   (1) equally by front foot or by square foot of land area;
   (2) equally by acreage of land;
   (3) according to the value of the property as determined by the board; or
   (4) according to any other reasonable assessment plan that imposes a fair share of the cost on property similarly benefited.
   (b) In making the determination under Subsection (a)(3), the board may consider the value of a structure or improvement on the property.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.205. ASSESSMENT TO FINANCE PROJECT OR SERVICE. (a) If the board determines the total cost of an assessment to finance a project or service, the board shall impose the assessment against each parcel of land against which an assessment may be imposed in the district.
   (b) The board may impose an annual assessment for a service. The amount of an annual service assessment may vary from year to year, but may not be higher than the initial assessment.
Sec. 3001.206. ASSESSMENT ROLL. (a) The board shall prepare and maintain an assessment roll showing:

(1) the assessment against each property; and
(2) the board's basis for the assessment.

(b) The board shall allow the public to inspect the assessment roll.

Sec. 3001.207. ASSESSMENT AS LIEN. (a) An assessment, including an assessment resulting from an addition or correction to the assessment roll, penalties and interest on an assessment, an assessment collection expense, and reasonable attorney's fees incurred by the district in collecting an assessment are:

(1) a first and prior lien against the property assessed;
(2) superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

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

(b) The lien is effective from the date of the order imposing the assessment until the date the assessment is paid.

Sec. 3001.208. CORRECTION OF MISTAKE. After notice and hearing in the manner required for an original assessment, the board may impose an assessment to correct a mistake in the assessment that:

(1) relates to the total cost of the assessment; or
(2) covers a delinquency or collection costs.

Sec. 3001.209. NOTICE OF HEARING ON PROPOSED ASSESSMENT. (a)
The board shall provide notice of a hearing for a proposed assessment in a newspaper with general circulation in Chambers County. The publication must be made not later than the 30th day before the date of the hearing.

(b) The notice must include the:
(1) time and place of the hearing;
(2) purpose for the proposed assessment;
(3) estimated cost of the purpose for which the assessment is proposed, including interest during construction and associated financing costs; and
(4) proposed assessment method.

(c) Not later than the 30th day before the date of the hearing, the board shall mail written notice containing the information required by Subsection (b) to each property owner in the district that will be subject to the assessment at the current address of the owner of the property to be assessed, as reflected on the tax rolls.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.210. CONDUCT OF HEARING; FINDINGS. (a) The board or hearings examiner shall hear and rule on all objections to a proposed assessment.

(b) A hearing on a proposed assessment may be adjourned from time to time.

(c) The board or hearings examiner shall make findings relating to the:
(1) advisability of the assessment, including the purpose of the assessment;
(2) estimated cost of the assessment;
(3) area benefited by the assessment;
(4) method of assessment; and
(5) method and time for payment of the assessment.

(d) If a hearings examiner conducts the hearing, the examiner shall file with the board a report on the examiner's findings under Subsection (c).

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.211. BOARD ORDER IMPOSING ASSESSMENT. (a) After
receiving or issuing the findings required by Section 3001.210(c), the board by order:

(1) shall:
   (A) impose the assessment as a special assessment on the property; and
   (B) specify the method of payment on the assessment; and

(2) may:
   (A) amend a proposed assessment for any parcel;
   (B) require an assessment to be paid in periodic installments, including interest;
   (C) require an interest charge or penalty for a failure to make timely payment; or
   (D) charge an amount to cover a delinquency or collection expense.

(b) If the board orders that an assessment may be paid in periodic installments, the installments must:
   (1) be in amounts sufficient to meet the annual costs of the project or service for which the assessment is imposed; and
   (2) continue for the number of years required to retire the indebtedness or pay for the project or service for which the assessment is imposed.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.212. REHEARING. A motion for rehearing is subject to Section 2001.146, Government Code, except that the property owner must file the motion for rehearing not later than the 30th day after the date on which the assessment order is issued.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.213. NOTICE OF ASSESSMENT. Not later than the 30th day after the date on which an assessment order is issued, the district shall file a notice of the assessment in the deed records of the county in which the property to be assessed is located. The notice must:

(1) provide a legal description of the property subject to the assessment;
(2) state the name of the owner of the property subject to the assessment; and
(3) describe how to contact the district for further information about the assessment.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.214. APPEAL TO COURT. (a) A property owner against whom an assessment is imposed may appeal the assessment to a district court in the county in which the property is located in the manner provided for the appeal of a contested case under Chapter 2001, Government Code.
(b) The owner must file the notice of appeal with the court not later than the 30th day after the date the board decision becomes final.
(c) The court shall review the appeal by trial de novo.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3001.215. NEW ASSESSMENT AFTER INVALID PRIOR ASSESSMENT. If the board determines or a court holds that an assessment is invalid, the board may impose a new assessment in accordance with the procedures provided by this subchapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER F. DISSOLUTION
Sec. 3001.251. DISSOLUTION. The board may dissolve the district if all district debts and obligations have been discharged.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBTITLE B. DEFENSE BASE DEVELOPMENT
CHAPTER 3501. LUBBOCK REESE REDEVELOPMENT AUTHORITY
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 3501.001. DEFINITIONS. In this chapter:
(1) "Authority" means the Lubbock Reese Redevelopment
Sec. 3501.002. AUTHORITY TERRITORY. (a) The authority's territory is that described by Section 13.10, Chapter 62, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 396.009, Local Government Code, and includes all other real property, related interests, including fee interests, perpetual and other easements, licenses, leases, and any other property used in connection with or comprising Reese Air Force Base and as may be shown by instruments recorded in the real property records of Lubbock and Terry counties.

(b) The authority's territory does not include property conveyed by the United States before June 17, 1997, as shown by instruments recorded in the real property records of Lubbock and Terry counties.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3501.003. PURPOSE AND NATURE OF AUTHORITY. (a) The purpose of the authority is to undertake projects necessary or incidental to the industrial, commercial, or business development, redevelopment, maintenance, and expansion of new and existing businesses on the property, now or formerly known as Reese Air Force Base, described in Section 3501.002(a), including the acquisition, construction, operation, maintenance, enhancement, or disposal of:

(1) roads, bridges, and rights-of-way;
(2) housing;
(3) property;
(4) police, fire, medical, cultural, educational, and research services, equipment, institutions, and resources;
(5) other community support services;
(6) flood control, water, wastewater treatment, and all other utility facilities; and
(7) other infrastructure improvements.

(b) The authority is a political subdivision of this state that exercises public and essential governmental functions.

(c) The exercise of a power this chapter grants is for a public purpose and is a matter of public necessity.

(d) The authority is a governmental unit under Chapter 101, Civil Practice and Remedies Code. The operations of the authority are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3501.004. EXEMPTION FROM TAXATION. The property, revenue, and income of the authority are exempt from a tax imposed by the state or a political subdivision of the state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3501.051. COMPOSITION OF BOARD. (a) The board is composed of:

(1) five directors appointed by the governing body of the City of Lubbock from a list of persons recommended by the board under this section;

(2) one director appointed by the commissioners court of Lubbock County from a list of persons recommended by the board under this section; and

(3) the executive director of the South Plains Association of Governments.

(b) Before the term of a director appointed under Subsection (a)(1) or (a)(2) expires, the board, in consultation with the City of Lubbock or Lubbock County, as applicable, shall recommend to the governing body of the City of Lubbock or the commissioners court of Lubbock County, as applicable, a list of persons to serve on the succeeding board. After reviewing the list of recommendations, the governing body of the City of Lubbock or the commissioners court of Lubbock County, as applicable, shall appoint the appropriate number of directors from the recommended persons, or request that the board provide additional recommendations.
The governing body of the City of Lubbock, the commissioners court of Lubbock County, or the board, as appropriate, shall make recommendations and appointments to the board so that places on the board are occupied by persons with experience in:

1. real estate;
2. finance;
3. manufacturing;
4. agriculture; and
5. general business.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Act 2005, 79th Leg., Ch. 423 (S.B. 1751), Sec. 1, eff. June 17, 2005.
Acts 2013, 83rd Leg., R.S., Ch. 125 (S.B. 696), Sec. 1, eff. May 24, 2013.

Sec. 3501.052. TERM; VACANCIES. (a) A director serves a term of four years.
(b) A vacancy on the board is filled in the same manner as the original appointment.
(c) Except as provided by Subsection (d), a director may be appointed as the director's own successor for not more than one term.
(d) A director appointed to fill a vacancy for an unexpired term shall serve for the remainder of that term and may be appointed as the director's own successor for not more than two terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 125 (S.B. 696), Sec. 2, eff. May 24, 2013.

Sec. 3501.053. OFFICERS. (a) The board shall elect from its membership a president and a vice president.
(b) The vice president shall preside in the absence of the president.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3501.054. EMPLOYEES. The board may employ and compensate persons to carry out the powers and duties of the authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3501.055. RULES FOR PROCEEDINGS. The board shall adopt rules for its proceedings.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3501.101. AUTHORITY OF BOARD. The board shall manage, control, and operate the authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3501.102. GENERAL POWERS AND DUTIES. (a) The authority may accept title, on approval by and in coordination with the governor, from the United States to all or any portion of the base property.

(b) The authority may exercise, on approval by and in coordination with the governor, any power necessary or convenient to accomplish a purpose of this chapter, including the power to:

(1) sue and be sued, and plead and be impleaded, in its own name;

(2) adopt an official seal;

(3) adopt and enforce bylaws and rules for the conduct of its affairs;

(4) acquire, hold, own, and dispose of its revenue, income, receipts, and money from any source;

(5) select its depository;

(6) establish its fiscal year;

(7) adopt an annual operating budget for all major expenditures before the beginning of the fiscal year;

(8) establish a system of accounts for the authority;

(9) invest its money in accordance with Chapter 2256, Government Code;

(10) acquire, hold, own, use, rent, lease, or dispose of
any property, including a license, patent, right, right-of-way, easement, and other interest in property, by purchase, exchange, gift, assignment, condemnation, lease, sale, or any other means, to perform a duty or to exercise a power under this chapter;

(11) manage, operate, or improve that property, to perform a duty or to exercise a power under this chapter;

(12) sell, assign, lease, encumber, mortgage, or otherwise dispose of any base property, or any interest in that property, release or relinquish any right, title, claim, lien, interest, easement, or demand, however acquired, and, notwithstanding any other law, conduct any transaction authorized by this subdivision by public or private sale;

(13) lease or rent any land, buildings, structures, or facilities located on the base property to any person to accomplish the purposes of this chapter;

(14) request and accept any appropriation, grant, allocation, subsidy, guarantee, aid, service, labor, material, gift, or money from any source, including the federal government, the state, a public agency, and a political subdivision;

(15) maintain an office;

(16) appoint and determine the duties, tenure, qualifications, compensation, and removal of officers, employees, agents, professional advisors, and counselors, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts, as considered necessary or advisable by the board;

(17) borrow money as necessary to acquire, improve, or operate a facility on the base property, not to exceed the amount determined by the governing body of the City of Lubbock;

(18) establish, impose, and collect rents, rates, fees, and charges for its facilities and services; and

(19) exercise the powers Chapter 380, Local Government Code, grants to a municipality for expansion of economic development and commercial activity.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3501.103. UTILITIES. (a) As may be necessary and appropriate to accomplish the purposes for which the authority was
established, the authority may exercise those powers granted to
general law districts by Chapter 49, Water Code, and granted to
municipal utility districts by Chapter 54, Water Code, may provide
all other utility services that may be provided by an electric, gas,
or water utility on an immediate basis without the need for state
regulatory approval, and without restriction, may delegate those
powers and the provision of those services to a neighboring
municipality, a municipally owned utility, a cooperative corporation,
or other utility provider.

(b) The authority shall continue to be served by the provider,
as of September 1, 1999, of electricity and related services to the
authority until the authority delegates the provision of electric
services under Subsection (a).

(c) A delegation under Subsection (a) of a power related to
electric service and the provision of electric services may be made
only to an electric utility provider that agrees to upgrade the
electrical system infrastructure so that the authority can accomplish
its purpose. The authority shall determine the criteria to be used
for determining the level of infrastructure improvements necessary to
encourage the expansion of economic development and commercial
activity. The authority may delegate the provision of electric
services without state regulatory approval.

(d) The authority may contract to convey the property related
to the supply and distribution of electrical power in the authority's
territory to an electric utility provider that requires the
conveyance as a condition of making an upgrade prescribed by
Subsection (c).

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3501.104. SECURITY FOR COSTS OR BOND NOT REQUIRED. In a
suit, the authority may not be required to give security for costs or
a supersedeas or cost bond in an appeal from a judgment.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3501.105. ADVISORY BOARDS. The board may appoint advisory
boards to assist the board in administering this chapter.
Sec. 3501.106. REVENUE BONDS. The authority may issue for any authority purpose bonds or other obligations payable from any source of authority revenue. The authority may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the authority, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 423 (S.B. 1751), Sec. 2, eff. June 17, 2005.

**SUBCHAPTER D. DISSOLUTION**

Sec. 3501.151. LEGISLATIVE INTENT. The legislature intends that the authority be dissolved after conveyance and sale of all of the base property.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3501.152. DUTY TO DISSOLVE. (a) The authority shall be dissolved on approval of the City of Lubbock and Lubbock County:
(1) when all the functions of the authority are performed and completed; and
(2) after all debts or obligations have been satisfied or retired with the assets of the authority.
(b) On dissolution, any remaining assets of the authority shall be conveyed or transferred to the City of Lubbock and Lubbock County in proportion to any initial contribution of money made.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**CHAPTER 3502. WESTWORTH VILLAGE-WHITE SETTLEMENT REDEVELOPMENT AUTHORITY**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3502.001. DEFINITIONS. In this chapter:
(1) "Authority" means the Westworth Village-White
Settlement Redevelopment Authority.

(2) "Board" means the board of directors of the authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3502.002. WESTWORTH VILLAGE-WHITE SETTLEMENT REDEVELOPMENT AUTHORITY. The authority is established as a political subdivision of this state if Westworth Village and White Settlement each:

(1) adopt a resolution authorizing the authority's establishment; and

(2) appoint three members to the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3502.003. AUTHORITY TERRITORY. The boundaries of the authority territory are the boundaries of Westworth Village and White Settlement.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3502.004. EXEMPTION FROM TAXATION. The property, revenue, and income of the authority are exempt from all taxes imposed by the state or a political subdivision of the state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3502.051. COMPOSITION OF BOARD. The board consists of six directors. The governing body of each municipality in the authority shall appoint three directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3502.052. TERM. A director serves a two-year term.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3502.053. VACANCIES. A vacancy on the board is filled for the unexpired term in the manner provided for the original appointment.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3502.054. OFFICERS. (a) The board shall select from its membership a presiding officer and an assistant presiding officer.
   (b) The assistant presiding officer presides in the absence of the presiding officer.
   (c) The board shall select a secretary-treasurer. The secretary-treasurer is not required to be a director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3502.055. EMPLOYEES. The board may employ all persons necessary to carry out the functions of the authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. AUTHORITY POWERS AND DUTIES

Sec. 3502.101. AUTHORITY OF BOARD. The board shall manage, operate, and control the authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3502.102. GENERAL POWERS. The authority may exercise, on approval by and in coordination with the governor, all powers necessary or appropriate to carry out the purposes of this chapter, including the power to:
   (1) sue and be sued, and plead and be impleaded, in its own name;
   (2) adopt an official seal;
   (3) adopt and enforce bylaws and rules for the conduct of its affairs;
   (4) acquire, hold, use, and dispose of its revenue, income, receipts, and money from every source;
(5) select its depository;
(6) acquire, hold, own, lease, rent, or dispose of any property or interest in property, including rights or easements, in performing duties and exercising powers under this chapter by purchase, exchange, gift, assignment, condemnation, sale, lease, or otherwise and to hold, manage, operate, or improve the property;
(7) sell, assign, lease, encumber, mortgage, or otherwise dispose of any property or interest in property, and release or relinquish any right, title, claim, lien, interest, easement, or demand however acquired;
(8) notwithstanding any other law, perform an activity authorized by Subdivision (7) by public or private sale, with or without public bidding;
(9) lease or rent any lands within the property and buildings, structures, or facilities located on the property from or to any person to carry out the purposes of this chapter;
(10) request and accept any appropriation, grant, allocation, subsidy, guaranty, aid, service, labor, material, or gift from any source, including the federal government, this state, a public agency, or a political subdivision;
(11) maintain an office and appoint and determine the duties, tenure, qualifications, and compensation of officers, employees, agents, and professional advisors and counselors, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts, as the board considers necessary or advisable;
(12) borrow money;
(13) establish, impose, and collect rents, rates, fees, and charges for its facilities and services;
(14) acquire land or any interest in land within the boundaries of the authority by condemnation in the manner provided by Chapter 21, Property Code, subject to the approval of each municipality in the authority; and
(15) exercise the powers in Chapters 373 and 380, Local Government Code, granted to a municipality for the development of housing and expansion of economic development and commercial activity.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3502.103. RECEIPT OF PROPERTY. The authority shall accept title, on approval by and in coordination with the governor, from the United States to all or any portion of the real property situated:
(1) within the boundaries of the authority, together with any improvements located on the property and personal property related to the property, commonly referred to as:
   (A) Parcel A--18 Hole Golf Course;
   (B) Parcel B--Wherry Housing Area;
   (C) Parcel C--Kings Branch Housing Area;
   (D) Parcel D--Stables Area and Vacant Land;
   (E) Parcel E--5 acres;
   (F) Parcel F--18 acres; and
   (G) Parcel H--Firing Range; and
(2) outside the boundaries of the authority within an unincorporated area in Tarrant County, together with any improvements located on the property and personal property related to the property, commonly referred to as Parcel G--Weapons Storage Area.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3502.104. USE OF PROPERTY. (a) The authority shall use the property described by Section 3502.103 and all assistance available for the property from the United States and all other sources to replace and enhance the economic benefits generated for the property by Carswell Air Force Base with diversified activity, including planned land uses to foster:
(1) creation of new jobs;
(2) economic development;
(3) industry;
(4) commerce;
(5) manufacturing;
(6) housing;
(7) recreation; and
(8) the construction, operation, and maintenance of facilities, improvements, and infrastructures on the property.

(b) The governing body of Fort Worth must consent in writing before any use or development of land within the property commonly referred to as Parcel G may be undertaken.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3502.105. AWARDING OF CONTRACTS. (a) The board may adopt rules governing the receiving of bids and the awarding of contracts.

(b) A contract in the amount of more than $15,000 for the construction of improvements or the purchase of material, machinery, equipment, supplies, or any other property, other than real property, may only be awarded on competitive bids received by the authority.

(c) Notice must be published in a newspaper of general circulation in the authority not later than the 16th day before the date set for receiving bids for a contract described by Subsection (b).

(d) This section does not apply to:

1. personal or professional services; or
2. the acquisition or sale of the property.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER D. DISSOLUTION

Sec. 3502.151. LEGISLATIVE INTENT. The legislature intends that the authority be dissolved after conveyance and sale of all of the property described by Section 3502.103.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3502.152. POWER TO DISSOLVE. (a) The board may dissolve the authority if:

1. each municipality in the authority approves the dissolution; and
2. all debts or obligations have been satisfied or retired.

(b) Any assets of the authority remaining after all debts or obligations have been satisfied shall be conveyed or transferred to the municipalities in the authority as approved by the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3503. TEXAMERICAS CENTER
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3503.001. DEFINITIONS. In this chapter:
(1) "Authority" means the TexAmericas Center.
(2) "Board" means the authority's board of directors.
(3) "Property" means land, improvements, and personal
property described in Section 3503.004.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff.
April 1, 2007.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 49 (S.B. 410), Sec. 2, eff. May
12, 2011.

Sec. 3503.002. NATURE OF AUTHORITY. (a) The authority is a
governmental agency and a political subdivision of this state.
(b) The operations of the authority are considered to be
essential governmental functions and are not proprietary functions
for any purpose, including the application of Chapter 101, Civil
Practice and Remedies Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff.
April 1, 2007.

Sec. 3503.003. PURPOSES OF AUTHORITY. (a) The authority is
created to:
(1) accept title on approval by, and in coordination with,
the governor to all or a portion of the property on, adjacent to, or
related to the property described by Section 3503.004 from the United
States;
(2) promote the location and development of new businesses,
industries, and commercial activities on or related to the property;
(3) undertake a project the board considers necessary or
incidental to the industrial, commercial, or business development,
redevelopment, maintenance, and expansion of new or existing
businesses on and for the property described by Section 3503.004,
including the acquisition, construction, operation, maintenance,
repair, rehabilitation, replacement, improvement, extension,
expansion, or enhancement of:
(A) roads, bridges, and rights-of-way;

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(B) housing;
(C) property;
(D) police, fire, medical, cultural, educational, and research services, equipment, institutions, and resources;
(E) other community support services;
(F) flood control, water, wastewater treatment, natural gas, electricity, solid waste disposal, steam generation, communications, and all other utility facilities and services;
(G) other infrastructure improvements; and
(H) any other services or facilities acquired by the authority from the United States;

(4) promote or support an active military base located in the same county as the authority to prevent closure or realignment of the base and attract new military missions to the base;

(5) exercise the powers granted to a conservation and reclamation district under Section 59, Article XVI, Texas Constitution; and

(6) promote regional economic development and job creation inside the district's boundaries and outside of the district's boundaries in Bowie County and adjacent counties.

(b) The property described by Subsection (a)(1) consists of any kind of property, whether real, personal, or mixed, and any rights, whether tangible or intangible, assets, benefits, or improvements related to the existence, development, operation, or maintenance of the property, of the authority.

(c) The creation of the authority is necessary to promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare, and to conserve the natural resources of this state, and is essential to accomplish the purposes of Sections 49-d, 52, and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, in an area previously established and developed by the United States government for military support purposes that will no longer be similarly maintained for those purposes by the federal government.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 1245 (S.B. 1879), Sec. 1, eff. June 14, 2013.
Acts 2017, 85th Leg., R.S., Ch. 993 (H.B. 967), Sec. 1, eff. September 1, 2017.

Sec. 3503.004. AUTHORITY TERRITORY. (a) The authority is composed of the territory described by Section 8A, Chapter 831, Acts of the 75th Legislature, Regular Session, 1997, as added by Section 5, Chapter 1312, Acts of the 76th Legislature, Regular Session, 1999, as that territory may have been modified under this chapter or other law.

(b) The boundaries of the authority are the same as the boundaries of the real property described by Subsection (a).

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.005. EXPANSION OF TERRITORY. The authority's territory may be expanded as additional:

(1) real property is conveyed or leased to the authority by the United States; or

(2) counties or municipalities approve annexations.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 987 (H.B. 3802), Sec. 1, eff. June 19, 2009.

Sec. 3503.006. RELATION TO OTHER LAW. This chapter does not limit the power of the authority or other person, including another governmental entity, to use other law not in conflict with this chapter to the extent convenient or necessary to carry out a power, express or implied, granted by this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.007. LEGISLATIVE INTENT ON APPLICABILITY OF OTHER
LAWS. The legislature intends that the authority shall have all power necessary to fully qualify and gain the benefits of any law that is helpful in carrying out the purposes for which the authority is created.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.008. APPLICABILITY OF STATE REGULATORY AUTHORITY. The authority is subject to the regulatory authority of the state, including any state agency, to the same extent as a municipal corporation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.009. APPLICABILITY OF OPEN GOVERNMENT LAWS. Chapters 551 and 552, Government Code, apply to the authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3503.051. GENERAL DUTIES. The board shall manage, control, and operate the authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.052. COMPOSITION. The board is composed of the following 15 directors:

(1) two directors appointed by the county judge of Bowie County;
(2) one director appointed by the commissioners court of Bowie County;
(3) three directors appointed by the mayor of Texarkana;
(4) one director appointed by the mayor of New Boston;
(5) one director appointed by the mayor of Hooks;
(6) one director appointed by the mayor of Nash;
(7) one director appointed by the mayor of Wake Village;
(8) one director appointed by the mayor of Leary;
(9) one director appointed by the mayor of Redwater;
(10) one director appointed by the mayor of Maud;
(11) one director appointed by the mayor of DeKalb; and
(12) one director appointed by the mayor of Red Lick.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.053. TERM; SERVICE BY ELECTED OFFICIALS. (a) Each
director serves for a term of two years.
(b) The board by rule or resolution may:
(1) provide for the appointment of directors of the board
in alternating years; and
(2) determine the number of directors and the manner of
deciding which directors shall be appointed in odd-numbered years and
which directors shall be appointed in even-numbered years.
(c) A director who is also an elected official serves for a
term coinciding with the term of the elected office.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.054. VACANCIES. A vacancy on the board is filled in
the same manner as the original appointment.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.055. OFFICERS. (a) The board shall elect from among
its membership a president and a vice president.
(b) The vice president shall preside in the absence of the
president.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff.
Sec. 3503.056.  RECALL.  A director may be recalled at any time by the appointing official.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.057.  COMPENSATION; REIMBURSEMENT.  A director is not entitled to compensation for service on the board but is entitled to be reimbursed for necessary expenses incurred in carrying out the duties of a director.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.058.  COMPENSATION; BOARD POSITION NOT CIVIL OFFICE OF EMOLUMENT.  (a) A position on the board may not be construed to be a civil office of emolument for any purpose, including a purpose described in Section 40, Article XVI, Texas Constitution.

(b) Elected officials of Bowie County and municipalities may serve on the board without penalty or forfeiture of office.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.059.  RULES; PROCEEDINGS. The board shall adopt rules to govern its proceedings.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.060.  CONFLICT OF INTEREST; APPLICABILITY OF OTHER LAW.  A conflict of interest, under either statutory or common law, for a director regarding a particular matter to come before the board, is governed by Chapter 171, Local Government Code.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3503.101. GENERAL POWERS AND DUTIES. (a) This chapter provides sufficient authority to issue bonds, execute contracts, and perform any other act or procedure authorized in this chapter for the authority and all other persons of this state, including another governmental entity of this state and including an action regarding another governmental entity and the United States, without reference to other law or a restriction or limitation contained in other law, except as provided by this chapter.

(b) The authority may exercise any power or duty necessary or appropriate to carry out a project described by Section 3503.003(a)(3) and the purposes of this chapter, including the power to:

(1) sue and be sued, and plead and be impleaded, in its own name;
(2) adopt an official seal;
(3) adopt, enforce, and amend rules for the conduct of its affairs;
(4) acquire, hold, own, pledge, and dispose of its revenue, income, receipts, and money from any source;
(5) select its depository;
(6) acquire, own, rent, lease, accept, hold, or dispose of any property, or any interest in property, including rights or easements, in performing its duties and exercising its powers under this chapter, by purchase, exchange, gift, assignment, sale, lease, or other method;
(7) hold, manage, operate, or improve the property;
(8) sell, assign, lease, encumber, mortgage, or otherwise dispose of property, or any interest in property, and relinquish a property right, title, claim, lien, interest, easement, or demand, however acquired;
(9) perform an activity authorized by Subdivision (8) by public or private sale, with or without public bidding, notwithstanding any other law;
(10) lease or rent any land and building, structure, or facility from or to any person to carry out a chapter purpose;
(11) request and accept an appropriation, grant, allocation, subsidy, guarantee, aid, service, labor, material, or gift, from the federal government, the state, a public agency or political subdivision, or any other source;
(12) operate and maintain an office and appoint and determine the duties, tenure, qualifications, and compensation of officers, employees, agents, professional advisors and counselors, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts, as considered necessary or advisable by the board;
(13) borrow money and issue bonds, payable solely from all or a portion of any authority revenue, by resolution or order of the board and without the necessity of an election;
(14) set and collect rents, rates, fees, and charges regarding the property and any services provided by the authority;
(15) exercise the powers Chapters 373 and 380, Local Government Code, grant to a municipality for the development of housing and expansion of economic development and commercial activity;
(16) exercise the powers Chapter 49, Water Code, grants to a general-law district;
(17) exercise the powers Chapter 54, Water Code, grants to a municipal utility district;
(18) exercise the powers Chapter 552, Transportation Code, grants to a road utility district;
(19) exercise the powers Subchapter C, Chapter 271, Local Government Code, grants to a municipality or county;
(20) exercise the powers Chapter 552, Local Government Code, grants to a municipality for the provision of municipal utilities;
(21) contract and be contracted with, in the authority's own name, another person in the performance of the authority's powers or duties to carry out a project described by Section 3503.003(a)(3), or to accomplish the purposes of this chapter for a period of years, on the terms, and by competitive bidding or by negotiated contract, all as the board considers appropriate, desirable, and in the best interests of the authority and the accomplishment of chapter purposes;
(22) acquire, hold, own, sell, assign, lease, encumber, mortgage, or otherwise dispose of any real, personal, or mixed
property located outside the perimeter of the property described by Section 3503.004 if the other property enhances or facilitates the development, redevelopment, maintenance, or expansion of new and existing businesses, industry, or commercial activity on the property;

(23) exercise the powers Chapter 22, Transportation Code, grants to a municipality or county;
(24) exercise the powers Chapter 379B, Local Government Code, grants to a defense base development authority;
(25) exercise the powers of a municipality under Chapters 211 and 212, Local Government Code, in the territory of the authority, including an area of the authority that is in the boundaries of a municipality's limited purpose jurisdiction and extraterritorial jurisdiction. On annexation of an area of the authority for full purposes by a municipality, the authority's power to regulate the area under Chapters 211 and 212 expires. The authority regains the power in an area if the municipality disannexes the area; and

(26) fund and carry out a project the board determines will promote or support an active military base located in the same county as the authority to prevent closure or realignment of the base and attract new military missions to the base, including a project to create jobs, retain jobs, grant or loan money to a federal entity, make improvements to infrastructure, buildings, or land, or acquire land.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.77(22), eff. April 1, 2009.
Acts 2009, 81st Leg., R.S., Ch. 987 (H.B. 3802), Sec. 2, eff. June 19, 2009.
Acts 2013, 83rd Leg., R.S., Ch. 1245 (S.B. 1879), Sec. 2, eff. June 14, 2013.

Sec. 3503.1015. ADDITIONAL POWERS OF OTHER ENTITIES; BONDS. The authority may exercise the powers given to:

(1) the governing body of a "unit," as defined by Section
501.002(17), Local Government Code, and may issue district bonds for a purpose specified by Subtitle C1, Title 12, Local Government Code;
(2) an emergency services district under Chapter 775, Health and Safety Code; or
(3) a rural or urban transit district under Chapter 458, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 998 (S.B. 1743), Sec. 1, eff. June 15, 2007.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.021, eff. September 1, 2009.

Sec. 3503.102. GENERAL PROPERTY POWERS. The authority may acquire, purchase, construct, own, operate, maintain, repair, improve, or extend, lease, or sell on terms, including rentals or sale prices, on which the parties agree, any work, improvement, facility, plant, building, structure, equipment, or appliance and any property or any interest in related property that is incident to or necessary to carry out or perform an authority power.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.103. WATER, SEWER, AND NATURAL GAS PROJECTS; EMINENT DOMAIN. (a) The authority may undertake a project under Section 3503.003(a)(3) to develop water, sewer, and natural gas projects to benefit the authority.

(b) The authority may exercise the power of eminent domain for a project under this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.104. WASTE DISPOSAL. (a) The authority may provide for the collection, transmission, treatment, disposal, and control of municipal, domestic, industrial, and commercial waste water and sewage.
(b) The authority may exercise the powers granted to a district under Chapter 30, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.105. OTHER POWERS RELATED TO WATER. The authority may provide for the construction, storage, transmission, treatment, supply, and distribution of water for any useful purpose, including for a municipal, domestic, industrial, or commercial purpose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.106. CONTRACTS. The authority and any person may contract with each other in any manner and on terms on which the parties agree regarding a power the authority may exercise or a facility or service that the authority may provide or finance.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.107. EMPLOYEES. The board may employ persons to carry out the powers and duties of the authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.108. LIMITATION ON USE OF EMINENT DOMAIN. Except as provided by Section 3503.103, the authority may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 998 (S.B. 1743), Sec. 2, eff. June 15, 2007.

Sec. 3503.109. INDEMNITY. The authority may indemnify an
authority employee or board member or former authority employee or board member for necessary expenses and costs, including attorney's fees, incurred by that person in connection with a claim asserted against that person if:

(1) the claim relates to an act or omission of the person when acting in the scope of the person's board membership or authority employment; and

(2) the person has not been found liable or guilty on the claim.

Added by Acts 2009, 81st Leg., R.S., Ch. 987 (H.B. 3802), Sec. 3, eff. June 19, 2009.

Sec. 3503.110. ASSUMED NAME. The authority may conduct business under an assumed name by filing an assumed name certificate under Subchapter C, Chapter 71, Business & Commerce Code, and complying with that chapter in the same manner as an incorporated business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 49 (S.B. 410), Sec. 3, eff. May 12, 2011.

Sec. 3503.111. NONPROFIT CORPORATIONS. (a) The authority may authorize by resolution the incorporation of a nonprofit corporation under the Business Organizations Code to exercise the powers granted to the authority. A corporation created under this section must be a nonmember, nonstock corporation.

(b) Each nonprofit corporation created under this section may:

(1) acquire and hold title to real property and improvements to that property; and

(2) collect and remit to the authority income, less expenses, from that real property and from improvements to that property.

(c) The board shall appoint the board of directors of each nonprofit corporation created under this section. A board member is not required to reside in the authority.

(d) A board member or employee of the authority may simultaneously serve as a member of the board of directors of a nonprofit corporation. A person serving as a board member of the
authority and of a nonprofit corporation created by the authority may participate in all votes relating to the business of the authority or the corporation, regardless of any statutory prohibition.

Added by Acts 2015, 84th Leg., R.S., Ch. 493 (S.B. 1563), Sec. 1, eff. June 16, 2015.

Sec. 3503.112. NONPROFIT CORPORATIONS FOR SPECIAL PROJECTS.  
(a) The authority may authorize by resolution the creation of a nonprofit corporation under the Business Organizations Code solely to undertake on behalf of the authority a project described by Section 3503.003(a)(3).

(b) The board shall appoint the board of directors of each nonprofit corporation created under this section. A board member is not required to reside in the authority.

(c) A board member or employee of the authority may simultaneously serve as a member of the board of directors of a nonprofit corporation. A person serving as a board member of the authority and of a nonprofit corporation created under this section may participate in all votes relating to the business of the authority or the corporation.

(d) The nonprofit corporation may not exercise the power of eminent domain.

(e) A nonprofit corporation created under this section is subject to Chapters 551 and 552, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 993 (H.B. 967), Sec. 2, eff. September 1, 2017.

SUBCHAPTER D. ADDITIONAL FINANCIAL PROVISIONS

Sec. 3503.151. USE OF REVENUE FROM OTHER GOVERNMENTAL ENTITIES; LIMITATION.  (a) Any governmental entity of this state may:

(1) use and pledge available revenue for the payment of an amount due under a contract entered into with the authority as an additional source of payment of the contracts or as the sole source of payment of the contracts; and

(2) covenant with respect to available revenue to assure the availability of the revenue when required.

(b) The governmental entity may not use, pledge, or covenant
under this section revenue from ad valorem taxes, or the proceeds of bonds paid wholly or partly from ad valorem taxes, unless the use, pledge, or covenant has been approved by the voters of the governmental entity at an election called for the purpose of:

(1) imposing taxes or issuing or refunding bonds; or
(2) using or pledging the entity's revenue or proceeds under contracts with the authority under this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.152. FEES FOR USE OF OTHER GOVERNMENTAL ENTITIES' UTILITIES. (a) A governmental entity may charge a fee to any person for using a service or facility provided by a utility operated by the governmental entity and provided under a contract with the authority, including a fee for:

(1) water charges;
(2) sewage charges;
(3) solid waste disposal system fees and charges, including garbage collection or handling fees; and
(4) other fees or charges.

(b) The governmental entity may use and pledge a sufficient amount of the money collected under Subsection (a) to make a payment to the authority as required under a contract with the authority and may covenant to do so in an amount sufficient to make a payment to the authority when due.

(c) A payment, if the parties agree in the contract, is an expense of operation of the facilities or utility operated by the governmental entity.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.154. EXEMPTION FROM TAXATION. The property, revenue, and income of the authority and of each nonprofit corporation created under Section 3503.111 are exempt from all taxes imposed by the state or a political subdivision of the state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff.
Sec. 3503.155. NO TAXING POWER. The authority may not impose a tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 998 (S.B. 1743), Sec. 3, eff. June 15, 2007.

SUBCHAPTER E. BONDS

Sec. 3503.201. GENERAL AUTHORITY TO ISSUE BONDS. To exercise a power granted under this chapter, the authority may issue bonds to acquire, purchase, construct, maintain, repair, improve, or extend works, improvements, facilities, plants, buildings, structures, appliances, and property.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.202. REVENUE BONDS. (a) The authority may issue revenue bonds, including revenue bonds to pay for feasibility studies for proposed authority projects, including projects regarding engineering, planning and design, and environmental studies.

(b) The authority may include in a revenue bond issue the money to operate and maintain facilities acquired or constructed through the revenue bond issue for a period not to exceed two years after the date of the facility's completion.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.203. APPROVAL BY ATTORNEY GENERAL. If bonds issued by the authority recite that they are secured by a pledge of payments under a contract, a copy of the contract and the proceedings relating to the contract may be submitted to the attorney general along with
the bonds. If the attorney general finds that the bonds have been authorized and the contract was entered into in accordance with law, the attorney general shall approve the bonds and the contract.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.204. BONDS FOR WATER OR SEWER PROJECTS; APPLICABILITY OF WATER CODE. Bonds issued under this chapter for a water or sewer project shall be issued in accordance with Sections 54.502 and 54.503, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

SUBCHAPTER F. DISSOLUTION

Sec. 3503.251. POWER TO DISSOLVE; LEGISLATIVE INTENT. (a) The legislature intends that the authority be dissolved, with the approval of the governing bodies of the municipalities of DeKalb, Hooks, Leary, Maud, Nash, New Boston, Red Lick, Redwater, Texarkana, and Wake Village and the governing body of Bowie County, after conveyance and sale of all of the property.

(b) The authority may be dissolved by the board on approval of each governing body listed in Subsection (a) after all debts or obligations have been satisfied or retired.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

Sec. 3503.252. ASSETS TO COUNTY. On dissolution, any remaining assets of the authority shall be conveyed or transferred to Bowie County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.02, eff. April 1, 2007.

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT
Sec. 3795.001. DEFINITIONS. In this chapter:

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

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

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

(d) The creation of the district is in the public interest and is essential to further the public purposes of:

   (1) developing and diversifying the economy of the state;
   (2) eliminating unemployment and underemployment; and
   (3) developing or expanding transportation and commerce.

(e) The district will:

   (1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
   (2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
   (3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;
(2) right to contract;
(3) authority to borrow money or issue bonds or other obligations described by Section 3795.205 or to pay the principal and interest of the bonds or other obligations;
(4) right to impose or collect an assessment or collect other revenue; or
(5) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3795.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who must be qualified under Section 375.063, Local Government Code.

(b) The directors serve staggered terms of four years with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.052. APPOINTMENT OF DIRECTORS. The commission shall appoint directors from persons recommended by the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.053. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.054. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation a director may receive each year may not exceed $2,000.

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

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

For expiration of this section, see Subsection (e).
Sec. 3795.055. INITIAL DIRECTORS. (a) The initial board consists of:

(1) two directors appointed by the Cleveland Independent School District;
(2) two directors appointed by the county commissioners court; and
(3) one director appointed by the person who owns the largest portion of the assessed value of the real property in the district.

(b) The terms of the initial directors expire June 1, 2019.

(c) Of the directors who replace an initial director, the terms of three directors must expire June 1, 2021, and the terms of two directors must expire June 1, 2023.

(d) Section 3795.052 does not apply to initial directors under this section.

(e) This section expires September 1, 2023.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3795.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff.
Sec. 3795.103. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and

(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.104. FIREFIGHTING SERVICES. Notwithstanding Section 49.351(a), Water Code, the district may, as authorized by Section 59(f), Article XVI, Texas Constitution, and Section 49.351, Water Code:

(1) establish, operate, and maintain a fire department;

(2) contract with another political subdivision for the joint operation of a fire department; or

(3) contract with any other person to perform firefighting services in the district and may issue bonds and impose taxes to pay for the department and the activities.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.105. FEES AND CHARGES. (a) The district may adopt and enforce all necessary charges, mandatory fees, or rentals, in addition to taxes, for providing or making available any district facility or service, including firefighting activities provided under
Section 3795.104.
(b) To enforce payment of an unpaid fee or charge due to the district, on the request of the district, a retail public utility, as defined by Section 13.002, Water Code, providing water or sewer service to a customer in the district shall terminate the service.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 3795.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has
been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.154. METHOD OF NOTICE OF HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of mailing notice.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3795.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

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

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.202. AGREEMENT REQUIRED FOR BONDS. Before the district may issue bonds, the district must enter into an agreement with a developer of land in the district, the Cleveland Independent School District, and Liberty County for the transfer of land for use as the sites of facilities for the school district and for emergency services.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.203. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3795.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for operation and
maintenance purposes, including for:

(1) maintaining and operating the district;

(2) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; or

(3) paying costs of services, engineering and legal fees, and organization and administrative expenses.

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

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.204. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of a sales and use tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

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

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.
Sec. 3795.205. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.206. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.207. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

SUBCHAPTER Z. SPECIAL BOND PROVISIONS

Sec. 3795.901. APPLICABILITY. This subchapter applies only to bonds payable wholly or partly from revenue derived from assessments on real property in the district.
Sec. 3795.902. CONFLICT OF LAWS. In the event of a conflict between this subchapter and any other law, this subchapter prevails.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.903. WRITTEN AGREEMENT REGARDING SPECIAL APPRAISALS. Before the district may issue bonds, the district and any person to whom the board intends that proceeds of the bonds be distributed, including a developer of or owner of land in the district and any entity acting as a lender to a developer of or owner of land in the district for the purpose of a project relating to the district, must enter into a written agreement that:

(1) waives for the term of the agreement the right to a special appraisal with respect to taxation by the district under Subchapters B, C, D, E, F, and H, Chapter 23, Tax Code; and

(2) remains in effect for 30 years and is binding on the parties, on entities related to or affiliated with the parties, and on their successors and assignees.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.904. REQUIREMENTS FOR ADVERTISING BOND ISSUE. The district may not advertise for an issuance of bonds until the completion of at least 25 percent of the projected value of the improvements, including houses and other buildings, that are liable for district assessments and necessary to support the district bonds.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.905. REQUIREMENTS FOR BOND ISSUE. The district may not issue bonds until:
(1) the district submits to the commission:
   (A) an engineer's report describing the project for which the bonds will provide funding, including data, profiles, maps, plans, and specifications related to the project; and
   (B) a cash flow analysis to determine the projected rate of assessment, which includes the following assumptions:
       (i) each ending balance for debt service in the analysis is not less than 25 percent of the following year's debt service requirement;
       (ii) interest income is only shown on the ending balance for debt service for the first two years; and
       (iii) the projected rate of assessment is level or decreasing for the life of the bonds issued by the district;
(2) the completion of at least 75 percent of the projected value of the improvements, including houses and other buildings, that are liable for district assessments and necessary to support the district bonds; and
(3) the district has obtained an independent market study from a firm recognized in the area of real estate market analysis supporting the development projects for the real property that is liable for district assessments and necessary to support the district bonds.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff. June 12, 2017.

Sec. 3795.906. REQUIREMENTS FOR COLLECTION OF REVENUE TO PAY BONDS. The district may not collect an assessment to be used for the payment of bonds until:
(1) the completion of at least 95 percent of the underground water, wastewater, and drainage facilities financed from bond proceeds that are necessary to serve the projected build-out, as certified by the district's engineer;
(2) the district or other appropriate party has secured the groundwater, surface water, and water discharge permits that are necessary to secure capacity to support the projected build-out;
(3) the completion of at least 95 percent of lift station, water plant, and sewage treatment plant capacity sufficient to serve the connections constructed in the project for a period of not less
than 18 months, as certified by the district's engineer; and

(4) the completion of at least 95 percent of the streets
and roads that are necessary to provide access to the areas served by
utilities and financed by the proceeds of bonds issued by the
district, as certified by the district's engineer and constructed in
accordance with city or county standards.

Added by Acts 2017, 85th Leg., R.S., Ch. 643 (H.B. 4341), Sec. 1, eff.
June 12, 2017.

CHAPTER 3798. CELINA MUNICIPAL MANAGEMENT DISTRICT NO. 2
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3798.001. DEFINITIONS. In this chapter:

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

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff.
September 1, 2017.

Sec. 3798.002. CREATION AND NATURE OF DISTRICT. The district
is a special district created under Sections 52 and 52-a, Article
III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff.
September 1, 2017.

Sec. 3798.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The
creation of the district is essential to accomplish the purposes of
Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas
Constitution, and other public purposes stated in this chapter. By
creating the district and in authorizing the city and other political
subdivisions to contract with the district, the legislature has
established a program to accomplish the public purposes set out in
Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

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

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment;
(3) develop or expand transportation and commerce; and
(4) provide quality residential housing.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the
district territory as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under other law.

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

(1) organization, existence, or validity;
(2) right to contract;
(3) authority to borrow money or issue bonds or other obligations described by Section 3798.251 or to pay the principal and interest of the bonds or other obligations;
(4) right to impose or collect an assessment, or collect other revenue; or
(5) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375,
Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.008. CONFLICTS OF LAW. This chapter prevails over any provision of Chapter 375, Local Government Code, that is in conflict or inconsistent with this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.009. CONSENT OF MUNICIPALITY REQUIRED. The board may not hold an election to authorize the issuance of bonds until the governing body of the city by ordinance or resolution consents to the creation of the district and to the inclusion of land in the district. The city's consent must be granted in the manner provided by Section 54.016, Water Code, for including land within the corporate limits or extraterritorial jurisdiction of a city.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.010. EFFECT OF ANNEXATION. Notwithstanding any other law, if all or any part of the territory of the district is annexed by the city into the city's corporate limits, the district retains all of the district's outstanding debt and obligations and continues to operate under this chapter until the district is dissolved under Subchapter G.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3798.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each even-numbered year. One director is appointed by the city, and four directors are appointed by the commission as provided by Sections 3798.052 and 3798.053, respectively.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.052. APPOINTMENT AND REMOVAL OF DIRECTOR APPOINTED BY CITY. (a) The governing body of the city shall appoint one director who must be:

(1) at least 18 years of age; and
(2) a resident of the city.

(b) At any time the governing body of the city may remove the director appointed by the city and appoint a director to serve the remainder of the removed director's term.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.053. APPOINTMENT BY COMMISSION. (a) Before the term of a director other than a director appointed under Section 3798.052 expires, the board shall recommend to the commission the appropriate number of persons to serve as successor directors. The commission shall appoint as directors the persons recommended by the board.

(b) A person recommended by the board under Subsection (a) must be:

(1) at least 18 years of age;
(2) an owner of property in the district;
(3) an owner of stock, whether beneficial or otherwise, of a corporate owner of property in the district;
(4) an owner of a beneficial interest in a trust that owns
property in the district; or

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

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.054. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

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

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.057. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation a director may receive each year may not exceed $2,000.

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

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.058. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

1. actions taken by the director in the director's capacity as a member of the board;
2. actions and activities taken by the district; or
3. the actions of others acting on behalf of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.059. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.060. BOARD MEETINGS. The board shall hold meetings at a place that is accessible to the public and located in the district or in the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

For expiration of this section, see Subsection (d).

Sec. 3798.061. INITIAL DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal rolls for the county may submit a petition to the commission requesting that the commission appoint as initial
directors the four persons named in the petition. The commission shall appoint as initial directors the four persons named in the petition.

(b) The governing body of the city shall appoint one initial director.

(c) The initial directors shall determine by lot which three positions expire June 1, 2019, and which two positions expire June 1, 2021.

(d) This section expires September 1, 2019.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3798.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.102. IMPROVEMENT PROJECTS AND SERVICES. (a) Subject to Subsection (b), the district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

(b) The district may not construct or finance an improvement project, other than a water, sewer, or drainage facility or road, unless the governing body of the city by ordinance or resolution consents to the construction or financing.

(c) The district may issue bonds, notes, or other obligations to maintain or repair an existing improvement project only if the governing body of the city by ordinance or resolution consents to the issuance.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff.
Sec. 3798.103. LOCATION OF IMPROVEMENT PROJECT. A district improvement project may be located inside or outside of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.104. OWNERSHIP OF IMPROVEMENT PROJECTS. (a) Before a district improvement project may be put into operation, the district must transfer ownership of the project to the city.

(b) The transfer of ownership is complete on the city's acceptance of ownership.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.105. RETAIL WATER AND SEWER SERVICES PROHIBITED. The district may not provide retail water or sewer services.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.106. ADDING OR REMOVING TERRITORY. (a) Subject to Subsections (b), (c), and (d), the board may add or remove territory as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may add territory as described by Subsection (a) only if the governing body of the city by ordinance or resolution consents to the addition.

(c) The district and all districts created under Subchapter D collectively may add a total area of not more than 100 acres.

(d) Territory added under Subsection (a) must be contiguous to the district at the time of the addition.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.
Sec. 3798.107. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3798.151. DIVISION OF DISTRICT; PREREQUISITES. The district, including territory added to the district under Section 3798.106, may be divided into two or more new districts only if the district has no outstanding bonded debt. Territory previously added to the district under Section 3798.106 may be included in a new district.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.153. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by an owner of real property in the district, may adopt an order proposing to divide the district.

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

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations;

(2) prepare a metes and bounds description for each proposed district; and

(3) appoint four initial directors for each new district.

(c) The governing body of the city shall appoint one director for each new district.
Sec. 3798.154. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for any matter the boards of the new districts consider appropriate, including the joint construction or financing of a utility improvement.

 Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3798.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

 Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, or finance an improvement project or service authorized by this chapter or Chapter 375, Local Government Code, using any money available to the district.

 Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.203. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

 Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.
Sec. 3798.204. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

(1) a first and prior lien against the property assessed;
(2) superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

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

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

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

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.205. NOTICE OF ASSESSMENTS. Annually, the board shall file with the secretary of the city written notice that specifies the assessments the district will impose in the district's next fiscal year in sufficient clarity to describe the assessments for the operation and maintenance of the district and the assessments for the payment of debt service of obligations issued or incurred by the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.
SUBCHAPTER F. TAXES AND BONDS

Sec. 3798.251. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code. Sections 375.207(a) and (b), Local Government Code, do not apply to the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

(d) Not later than the 30th day before the date the district holds a bond sale, the district shall provide the governing body of the city written notice of the sale.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

SUBCHAPTER G. DISSOLUTION

Sec. 3798.301. DISSOLUTION BY CITY ORDINANCE. (a) The governing body of the city may dissolve the district by ordinance.

(b) The governing body may not dissolve the district until:

(1) water, sanitary, sewer, and drainage improvements and roads have been constructed to serve at least 90 percent of the developable territory of the district; and

(2) the district has reimbursed each party that has an agreement with the district for all costs advanced to or on behalf of the district.

(c) Until the district is dissolved, the district is responsible for all bonds and other obligations of the district.
Sec. 3798.302. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.  
(a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than revenue from ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.  
(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:  
(1) the bonds or other obligations when due and payable according to their terms; or  
(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.  

Sec. 3798.303. ASSUMPTION OF ASSETS AND LIABILITIES.  (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.  
(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.  

SUBCHAPTER Z. SPECIAL BOND PROVISIONS  
Sec. 3798.901. APPLICABILITY. This subchapter applies only to bonds payable wholly or partly from revenue derived from assessments on real property in the district.  

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.
Sec. 3798.902. CONFLICT OF LAWS. In the event of a conflict between this subchapter and any other law, this subchapter prevails.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.903. WRITTEN AGREEMENT REGARDING SPECIAL APPRAISALS. Before the district may issue bonds, the district and any person to whom the board intends that proceeds of the bonds be distributed, including the developer, another owner of land in the district, and any entity acting as a lender to the developer or other landowner for the purpose of a project relating to the district, must enter into a written agreement that:

(1) waives for the term of the agreement the right to a special appraisal with respect to taxation by the district under Subchapters B, C, D, E, F, and H, Chapter 23, Tax Code; and

(2) remains in effect for 30 years and is binding on the parties, on entities related to or affiliated with the parties, and on their successors and assignees.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.904. REQUIREMENTS FOR ADVERTISING BOND ISSUE. A district may not advertise for an issuance of bonds until the completion of at least 25 percent of the projected value of the improvements, including houses and other buildings, that are liable for district assessments and necessary to support the district bonds.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.905. REQUIREMENTS FOR BOND ISSUE. The district may not issue bonds until:

(1) the district submits to the commission:

(A) an engineer's report describing the project for
which the bonds will provide funding, including data, profiles, maps, plans, and specifications related to the project; and

(B) a cash flow analysis to determine the projected rate of assessment, which includes the following assumptions:

(i) each ending balance for debt service in the analysis is not less than 25 percent of the following year's debt service requirement;

(ii) interest income is only shown on the ending balance for debt service for the first two years; and

(iii) the projected rate of assessment is level or decreasing for the life of the bonds issued by the district;

(2) the completion of at least 75 percent of the projected value of the improvements, including houses and other buildings, that are liable for district assessments and necessary to support the district bonds; and

(3) the district has obtained an independent market study from a firm recognized in the area of real estate market analysis supporting the development projects for the real property that is liable for district assessments and necessary to support the district bonds.

 Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

Sec. 3798.906. REQUIREMENTS FOR COLLECTION OF REVENUE TO PAY BONDS. The district may not collect an assessment to be used for the payment of bonds until:

(1) the completion of at least 95 percent of the underground water, wastewater, and drainage facilities financed from bond proceeds that are necessary to serve the projected build-out, as certified by the district's engineer;

(2) the district or other appropriate party has secured the groundwater, surface water, and water discharge permits that are necessary to secure capacity to support the projected build-out;

(3) the completion of at least 95 percent of lift station, water plant, and sewage treatment plant capacity sufficient to serve the connections constructed in the project for a period of not less than 18 months, as certified by the district's engineer; and

(4) the completion of at least 95 percent of the streets
and roads that are necessary to provide access to the areas served by utilities and financed by the proceeds of bonds issued by the district, as certified by the district's engineer and constructed in accordance with municipal or county standards.

Added by Acts 2017, 85th Leg., R.S., Ch. 618 (H.B. 4268), Sec. 1, eff. September 1, 2017.

CHAPTER 3799.  HARRIS COUNTY IMPROVEMENT DISTRICT NO. 24
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 3799.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston.
(3) "County" means Harris County.
(4) "Director" means a board member.
(5) "District" means the Harris County Improvement District No. 24.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.002.  CREATION AND NATURE OF DISTRICT.  The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.003.  PURPOSE; DECLARATION OF INTENT.  (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.
Sec. 3799.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 voting directors.

Sec. 3799.052. APPOINTMENT OF VOTING DIRECTORS. The mayor and members of the governing body of the city shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body and the mayor vote to appoint that person.

Sec. 3799.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Sec. 3799.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a
vote because of a conflict of interest; or
   (3) a nonvoting director.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

For expiration of this section, see Subsection (d).

Sec. 3799.055. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Harry Masterson</td>
</tr>
<tr>
<td>2</td>
<td>Simmi Jaggi</td>
</tr>
<tr>
<td>3</td>
<td>Jay Houren</td>
</tr>
<tr>
<td>4</td>
<td>John Wade</td>
</tr>
<tr>
<td>5</td>
<td>Richard Fuqua</td>
</tr>
</tbody>
</table>

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2019, and the terms of directors appointed for positions four and five expire June 1, 2021.

(c) Section 3799.052 does not apply to the initial voting directors.

(d) This section expires September 1, 2021.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3799.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any
money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the city or the county, to provide law enforcement services in the district for a fee.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.105. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:
Sec. 3799.106. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

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

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

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.107. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

(1) the issuance of bonds;

(2) the plans and specifications of an improvement project financed by bonds; and

(3) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds.

(c) If the district obtains the approval of the city's governing body of a capital improvements budget for a period not to exceed 10 years, the district may finance the capital improvements
and issue bonds specified in the budget without further approval from the city.

(d) The governing body of the city:
   (1) is not required to adopt a resolution or ordinance to approve plans and specifications described by Subsection (a); and
   (2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the involvement of the governing body.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.108. NO ANNEXATION POWER. The district may not annex land without legislative approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3799.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.
Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or part of the district.

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

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

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

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

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

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

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3799.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3799.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3799.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose,
including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.
Sec. 3799.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

Sec. 3799.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 805 (H.B. 4333), Sec. 1, eff. June 15, 2017.

CHAPTER 3801. HOUSTON DOWNTOWN MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3801.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Houston Downtown Management District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.002. HOUSTON DOWNTOWN MANAGEMENT DISTRICT. A special district known as the "Houston Downtown Management District" is a governmental agency and political subdivision of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3801.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of August 28, 1995, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the downtown area of the
city of Houston to preserve, maintain, and enhance the economic
health and vitality of the area as a community and business center;
and

(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and
developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic and aesthetic
beauty.

(e) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, and street art objects are parts of and necessary
components of a street and are considered to be a street or road
improvement.

(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many
private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.005. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 23.04(b), Chapter 165,
Acts of the 75th Legislature, Regular Session, 1997, enacting former
Section 376.004, Local Government Code, and by Section 1, Chapter
360, Acts of the 76th Legislature, Regular Session, 1999, as that
territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in
Section 23.04(b), Chapter 165, Acts of the 75th Legislature, Regular
Session, 1997, enacting former Section 376.004, Local Government
Code, and in Section 1, Chapter 360, Acts of the 76th Legislature,
Regular Session, 1999, form a closure. A mistake in the field notes
or in copying the field notes in the legislative process does not in
any way affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond,
including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;
   (3) the district's right to impose and collect an assessment or tax;
   (4) the validity of the enlargement of the district under Section 1, Chapter 360, Acts of the 76th Legislature, Regular Session, 1999; or
   (5) the legality or operation of the district or the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.006. ELIGIBILITY FOR REINVESTMENT ZONES. All or any part of the area of the district is eligible to be included in:
   (1) a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code; or
   (2) a tax abatement reinvestment zone created by the City of Houston under Chapter 312, Tax Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

Sec. 3801.051. BOARD OF DIRECTORS; TERMS. The district is governed by a board of 30 directors who serve staggered terms of four years, with seven or eight directors' terms expiring June 1 of each year.
Sec. 3801.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors being residents of the city of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City of Houston;

(2) the chief of police of the City of Houston; and

(3) the general manager of the Metropolitan Transit Authority of Harris County, Texas.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint the director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department of the City of Houston that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of another nonprofit corporation actively involved in downtown activities in the city of Houston to serve as a nonvoting ex officio director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3801.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government
Code;
(3) the powers given to a corporation under Chapter 505, Local Government Code, and the power to own, operate, acquire, construct, lease, improve, and maintain projects, other than a domed football stadium, described by that chapter; and
(4) the powers of a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.30, eff. April 1, 2009.

Sec. 3801.103. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.
(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.
(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.104. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.
(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may
contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;
(2) include terms on which the parties agree;
(3) be payable from taxes or any other source of revenue that may be available for that project or service; or
(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;
(2) this state or a state agency;
(3) any political subdivision of this state; and
(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.105. COMPETITIVE BIDDING. The district may enter into a contract for more than $10,000 for services, improvements, or the purchase of property, including materials, machinery, equipment, and supplies, only as provided by Subchapter K, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.106. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. The district must obtain the approval of the City of Houston of the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.
Sec. 3801.107.  NO EMINENT DOMAIN POWER.  The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3801.151.  PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS.  (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.152.  DISBURSEMENTS AND TRANSFERS OF MONEY.  The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.153.  AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES.  The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter.
Sec. 3801.154. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3801.158, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or
(2) provide services to industrial or commercial businesses, residents, or property owners.

(b) The board shall determine the tax rate.

Sec. 3801.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

(d) The board may correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code.
Sec. 3801.156. PROHIBITED EXEMPTIONS. A single-family residential property or a residential duplex, triplex, fourplex, or condominium may not be exempt from the imposition of a tax, an impact fee, or an assessment if the tax, impact fee, or assessment is imposed in accordance with this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.157. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district, other than to finance a domed football stadium.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project; and

(2) of the plans and specifications of the improvement project to be financed by the bond.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.158. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before
the district may:

(1) impose a maintenance tax; or
(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

(c) The board may not call an election under this chapter unless a written petition requesting an election has been filed with the board. The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or
(2) at least 50 owners of land in the district, if more than 50 persons own property in the district as determined by the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3801.159. SALES AND USE TAX PROHIBITED. The district may not impose a sales and use tax.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3801.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. Despite this section and Section 375.264, Local Government Code, the district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, if the district has debt. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3802. WESTCHASE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3802.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "District" means the Westchase District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.002. WESTCHASE DISTRICT. A special district in Harris County known as the "Westchase District" is a governmental agency and political subdivision of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of August 28, 1995, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the
district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the Westchase area to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.0045. PARKING. A parking improvement is considered to be a street or road improvement.

Added by Acts 2009, 81st Leg., R.S., Ch. 865 (S.B. 2496), Sec. 1, eff. June 19, 2009.

Sec. 3802.005. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 23.04(b), Chapter 165, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.044, Local Government Code, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 23.04(b), Chapter 165, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.044, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect in any way:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose and collect an assessment or tax; or
(4) the legality or operation of the district or the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.0055. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by a municipality under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by a municipality under Chapter 312, Tax Code; or
(3) an enterprise zone created by a municipality under Chapter 2303, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 865 (S.B. 2496), Sec. 1, eff. June 19, 2009.

Sec. 3802.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3802.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.008. TORT LIABILITY. The district is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are essential government functions and are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 865 (S.B. 2496), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3802.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 17 directors who serve staggered terms of four years, with eight or nine directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than nine or more than 30 voting directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:

Acts 2009, 81st Leg., R.S., Ch. 865 (S.B. 2496), Sec. 2, eff. June 19, 2009.

Sec. 3802.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board.

(b) The mayor and members of the governing body of the City of Houston shall consider for appointment as directors persons representing the following interests:
(1) owners of multifamily rental housing with at least 200 rental units;
(2) lessees of office space of at least 30,000 square feet of rentable area;
(3) owners of office facilities with at least 500 employees or a taxable value in excess of $10 million;
(4) owners of multitenant office buildings;
(5) owners of multitenant retail property or major retail tenants;
(6) owners of temporary lodging facilities with on-site food service;
(7) owners of undeveloped property with a contiguous area of at least five acres; and
(8) any other person qualified to serve on the board as provided by Section 375.063, Local Government Code, to represent the district at large.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.002(a), eff. September 1, 2005.

Sec. 3802.053. EX OFFICIO DIRECTORS. The board may appoint nonvoting ex officio directors to serve on the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.054. QUORUM. For purposes of determining whether a quorum of the board is present, the following are not counted:
(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2009, 81st Leg., R.S., Ch. 865 (S.B. 2496), Sec. 3, eff. June 19, 2009.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3802.101. DISTRICT POWERS. The district has:
  (1) all powers necessary to accomplish the purposes for which the district was created;
  (2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code; and
  (3) the powers given to a corporation under Chapter 505, Local Government Code, and the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
  Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.31, eff. April 1, 2009.

Sec. 3802.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.
  (b) The nonprofit corporation:
    (1) has each power of and is considered for all purposes to be a local government corporation created under Chapter 431, Transportation Code; and
    (2) may implement any project and provide any service authorized by this chapter.
  (c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.
  (d) The nonprofit corporation may be dissolved as provided by Chapter 431, Transportation Code, for a corporation created under that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 865 (S.B. 2496), Sec. 5, eff. June 19, 2009.
Sec. 3802.103. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing the services authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;
(2) include terms on which the parties agree;
(3) be payable from taxes or any other source of revenue that may be available for that project or service; or
(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;
(2) this state or a state agency;
(3) any political subdivision of this state; and
(4) a public or private corporation, including a nonprofit corporation created by the board under other law.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

(e) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 865 (S.B. 2496), Sec. 4, eff. June 19, 2009.

Sec. 3802.1045. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) is exempt from federal income taxation under Section
501(a), Internal Revenue Code of 1986, by being listed as an exempt organization under Section 501(c)(3), (4), or (6) of that code; and
(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 865 (S.B. 2496), Sec. 5, eff. June 19, 2009.

Sec. 3802.105. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. The district must obtain the City of Houston's approval of the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 2, eff. June 17, 2005.

Sec. 3802.107. CONFERENCE AND CONVOCATION CENTERS. The district may finance, acquire, lease as a lessor or lessee, construct, improve, operate, or maintain conference and convocation centers and supporting facilities. The district may enter into a long-term operating agreement with any person for the center or facility.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.002(b), eff. September 1, 2005.
Renumbered from Special District Local Laws Code, Section 3802.106 by Acts 2009, 81st Leg., R.S., Ch. 865 (S.B. 2496), Sec. 6, eff. June 19, 2009.

SUBCHAPTER D. FINANCIAL PROVISIONS
Sec. 3802.151. PETITION REQUIRED FOR FINANCING SERVICES AND
IMPROVEMENTS. The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement has been filed with the board. The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of property in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.153. AUTHORITY TO IMPOSE AD VALOREM TAxES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.154. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3802.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide services to industrial or commercial businesses, residents, or property owners.

(b) The board shall determine the tax rate.
Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceeding.

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

(d) The board may correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.156. TAX AND ASSESSMENT ABATEMENTS. Without additional procedures, the district may grant, consistent with Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.157. PROPERTY EXEMPT FROM ASSESSMENT AND IMPACT FEES. The district may not impose an assessment or impact fee on the property, equipment, or facilities of:
Sec. 3802.1575. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:

(1) burying or removing electrical power lines, telephone lines, cable or fiber-optic lines, or any other type of electrical or optical line;

(2) removing poles and any elevated lines using the poles; and

(3) reconnecting the lines described by Subdivision (2) to the buildings or other improvements to which the lines were connected.

(b) The assessment under Subsection (a) shall not be imposed on the property, including the equipment, rights-of-way, easements, facilities, or improvements, of a telecommunications provider as defined by Section 51.002, Utilities Code, or a cable service provider or video service provider as defined by Section 66.002, Utilities Code, unless the property is used as office space.

(c) The district may acquire, operate, or charge fees for the use of the district conduits for:

(1) another person's:

(A) telecommunications network;

(B) fiber-optic cable; or

(C) electronic transmission line; or

(2) any other type of transmission line or supporting facility.

(d) The district may not require a person to use a district conduit.

Added by Acts 2009, 81st Leg., R.S., Ch. 865 (S.B. 2496), Sec. 7, eff. June 19, 2009.
in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project; and

(2) of the plans and specifications of the improvement project to be financed by the bond.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3802.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes.

(b) The board may submit multiple purposes in a single proposition at an election.

(c) The board may not call a bond election under this chapter unless a written petition requesting the election has been filed with the board. The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 persons who own property in the district, if there are more than 50 persons who own property in the district.
according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
   Acts 2015, 84th Leg., R.S., Ch. 489 (H.B. 4131), Sec. 1, eff. June 16, 2015.

Sec. 3802.160.  SALES AND USE TAX PROHIBITED.  The district may not impose a sales and use tax.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3802.201.  DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.  Despite this section and Section 375.264, Local Government Code, the district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, if the district has debt.  If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3803. GREATER GREENSPONT MANAGEMENT DISTRICT OF HARRIS COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3803.001.  DEFINITIONS.  In this chapter:
   (1) "Board" means the board of directors of the district.
   (2) "District" means the Greater Greenspoint Management District of Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.002.  GREATER GREENSPONT MANAGEMENT DISTRICT OF HARRIS COUNTY.  A special district known as the "Greater Greenspoint Management District of Harris County" is a governmental agency and
Sec. 3803.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and to other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of August 26, 1991, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty; and

(4) eliminate unemployment and underemployment and develop or expand transportation and commerce by providing or by participating with other entities and educational institutions in establishing, equipping, financing, and operating workforce development, workforce education, and job training opportunities.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:

Acts 2015, 84th Leg., R.S., Ch. 133 (H.B. 2200), Sec. 1, eff. May 28, 2015.

Sec. 3803.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 23.04(b), Chapter 165, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.084, Local Government Code, as that territory may have been modified under:
(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 23.04(b), Chapter 165, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.084, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:
   (1) the district's organization, existence, and validity;
   (2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;
   (3) the district's right to impose and collect an assessment or tax; or
   (4) the legality or operation of the district or the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.006. ELIGIBILITY FOR REINVESTMENT OR ENTERPRISE ZONES. (a) All or any part of the area of the district is eligible, regardless of other statutory criteria, to be included in:
   (1) a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code; or
   (2) a tax abatement reinvestment zone created by the City of Houston under Chapter 312, Tax Code.

(b) All or any part of the area of the district is eligible to be nominated for inclusion in an enterprise zone by the City of Houston under Chapter 2303, Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.007. FORECLOSURE OF PREEXISTING TAX LIEN ON PROPERTY OWNED BY DISTRICT PROHIBITED. Regardless of the manner in which or the price for which the district obtains title to real property, a political subdivision or taxing authority may not foreclose a tax lien or otherwise pursue unpaid taxes on the property against the district or any successor in title to the district that is a political subdivision of this state if the lien or taxes accrued before the district's ownership of the property.
Sec. 3803.009. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the legislative findings and purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3803.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 22 directors who serve staggered terms of four years, with 11 directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or

(2) decrease the number of directors to fewer than nine.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 133 (H.B. 2200), Sec. 2, eff. May 28, 2015.

Sec. 3803.052. APPOINTMENT OF DIRECTORS. Subchapter D, Chapter 375, Local Government Code, governs the appointment and qualification of directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3803.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, and authority of a district created under Chapter 375, Local Government Code;

(3) the powers given to a corporation created under the
Development Corporation Act (Subtitle Cl, Title 12, Local Government Code), including:

(A) the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that Act and this chapter and any other authorized project; and

(B) the power to acquire land and other property in accordance with Chapter 505, Local Government Code; and

(4) the power to create, tax, assess, and hold elections in a defined area under Chapter 54, Water Code, to provide improvements or services in the defined area for any project or activity the district is authorized to acquire, construct, improve, or provide.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.32, eff. April 1, 2009.

Sec. 3803.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project, providing residential housing, or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for all purposes to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code.

(d) The nonprofit corporation may be dissolved as provided by Chapter 431, Transportation Code, for a corporation created under that chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3803.103. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with any county or municipality in which all or part of the district is located for the county or municipality to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or to assist the district in providing an authorized service. A contract under this subsection may:

(1) be for a period on which the parties agree;
(2) include terms on which the parties agree;
(3) be payable from taxes or any other source of revenue that may be available for the project or service; and
(4) provide terms under which taxes or other revenue collected at a district project, at a project in a tax increment reinvestment zone, or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;
(2) this state or a state agency;
(3) any political subdivision of this state; or
(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.104. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. (a) The district may:

(1) join and pay dues to an organization that qualifies for an exemption from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization under Section 501(c)(3), 501(c)(4), or 501(c)(6) of that
code; and

(2) perform services or provide activities consistent with the furtherance of the purposes of the district.

(b) An expenditure of public money for membership in an organization described by Subsection (a) is considered to further the purposes of the district and to be for a public purpose.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.105. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 3, eff. June 17, 2005.

Sec. 3803.106. PLANS FOR WORKFORCE DEVELOPMENT SERVICES. (a) The district may develop and implement one or more plans for workforce development services. The services may include:

(1) job training;
(2) workforce education;
(3) financing of special educational opportunities; or
(4) other projects that promote workforce development.

(b) To assist in implementing a plan for workforce development services, the district may:

(1) accept a donation, grant, or loan from any person;
(2) work with a school at any level;
(3) work with any person that provides workforce development money or projects; or
(4) participate with any other entity.

Added by Acts 2015, 84th Leg., R.S., Ch. 133 (H.B. 2200), Sec. 3, eff. May 28, 2015.

Sec. 3803.107. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 133 (H.B. 2200), Sec. 3, eff. May 28, 2015.
SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3803.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting the service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own land in the district according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.1515. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2015, 84th Leg., R.S., Ch. 133 (H.B. 2200), Sec. 4, eff. May 28, 2015.

Sec. 3803.152. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may, except as provided by Section 3803.156, impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.153. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3803.158, the district may impose an annual ad valorem tax on taxable property in the district to:
(1) maintain and operate the district and the improvements constructed or acquired by the district; and
(2) provide services to industrial or commercial businesses, residents, or property owners.

(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The district may correct, add to, or delete an assessment from its assessment rolls and collect an assessment due under the correction, addition, or deletion if:
(1) the district gives notice and hearing in the manner required by Section 375.115, Local Government Code; or
(2) the change does not increase the amount of assessment of any parcel of land.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:
(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceeding.

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

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 133 (H.B. 2200), Sec. 5, eff. May 28, 2015.
Sec. 3803.155.  TAX AND ASSESSMENT ABATEMENTS.  Without further authorization or other procedural requirement, the district may grant, consistent with Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.156.  PROPERTY EXEMPT FROM ASSESSMENT AND IMPACT FEES.  Because the district is created in an area that is devoted primarily to commercial and business activity, the district may not impose an impact fee or assessment on a detached single-family residential property or a residential duplex, triplex, fourplex, or condominium.  A condominium is exempt under this section only if for the year in which the impact fee or assessment is imposed on the condominium, the condominium receives a residence homestead exemption under Section 11.13, Tax Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
  Acts 2005, 79th Leg., Ch. 773 (H.B. 3528), Sec. 1, eff. June 17, 2005.

Sec. 3803.157.  OBLIGATIONS.  (a)  The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b)  In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.158.  ELECTIONS REGARDING TAXES OR BONDS.  (a)  The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval
before the district may:
   (1) impose a maintenance tax; or
   (2) issue a bond payable from ad valorem taxes or assessments.

   (b) The board may submit multiple purposes in a single proposition at an election.

   (c) The board may not call an election under this chapter unless a written petition requesting an election is filed with the board. The petition must be signed by 50 owners of property in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County.

   (d) When issuing a bond payable from a defined area under Chapter 54, Water Code, the district must hold the required election only in the defined area and not in the entire district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3803.159. SALES AND USE TAX PROHIBITED. The district may not impose a sales and use tax.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3804. FIRST COLONY MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3804.001. DEFINITIONS. In this chapter:
   (1) "Board" means the board of directors of the district.
   (2) "District" means the First Colony Management District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.002. FIRST COLONY MANAGEMENT DISTRICT. A special district known as the "First Colony Management District" is a governmental agency and political subdivision of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3804.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Fort Bend County, the City of Sugar Land, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Fort Bend County or the City of Sugar Land from providing the level of services provided as of September 1, 1997, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the City of Sugar Land to
preserve, maintain, and enhance the economic health and vitality of
the area as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and
developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic and aesthetic
beauty.

(e) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, and street art objects are parts of and necessary
components of a street and are considered to be a street or road
improvement.

(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many
private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.005. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 1, Chapter 985, Acts
of the 75th Legislature, Regular Session, 1997, enacting former
Section 376.114, Local Government Code, as that territory may have
been modified under:

(1) Section 3804.108 or its predecessor statute, former
Section 376.122, Local Government Code;

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

(3) other law.

(b) The boundaries and field notes of the district contained in
Section 1, Chapter 985, Acts of the 75th Legislature, Regular
Session, 1997, enacting former Section 376.114, Local Government
Code, form a closure. A mistake in the field notes or in copying the
field notes in the legislative process does not in any way affect:

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

(2) the district's right to issue any type of bond,
including a refunding bond, for a purpose for which the district is
created or to pay the principal of and interest on the bond;
(3) the district's right to impose and collect an assessment or tax; or
(4) the legality or operation of the district or the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.006. ELIGIBILITY FOR REINVESTMENT ZONES. (a) All or any part of the area of the district is eligible to be included in:
(1) a tax increment reinvestment zone created by the City of Sugar Land under Chapter 311, Tax Code; or
(2) a tax abatement reinvestment zone created by the City of Sugar Land under Chapter 312, Tax Code.
(b) A taxing unit participating in a tax increment reinvestment zone created by a municipality or county may continue to enter into a tax abatement agreement.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3804.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 13 directors who serve staggered terms of four years with six or seven directors' terms expiring June 1 of each odd-numbered year.
(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of
the district to do so. The board may not:

(1) increase the number of directors to more than 30; or
(2) decrease the number of directors to fewer than nine.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Sugar Land shall appoint directors from persons recommended by the board.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors owning property in the city of Sugar Land.

(c) An owner of a tract of land in the district that is 10 or more acres in size may recommend to the board a successor director to fill a position or vacancy on the board unless a director recommended by the current or previous owner of the tract is serving on the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve on the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.054. REMOVAL OF DIRECTORS. (a) The board may remove a director if the director has missed half the meetings scheduled during the preceding 12 months.

(b) A director removed under this section may file a written appeal with the governing body of the City of Sugar Land. The governing body may reinstate the director if the body finds that the removal was unwarranted under the circumstances after considering the reasons for the absences, the time and place of the meetings, the business conducted at the meetings missed, and any other relevant circumstances.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3804.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code; and

(3) the powers given to a corporation under Chapter 505, Local Government Code, and the power to own, operate, acquire, construct, lease, improve, and maintain projects.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.33, eff. April 1, 2009.

Sec. 3804.103. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.104. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with Fort Bend County or the City of Sugar Land for the county or the city to provide law enforcement services in the district for a fee.
(b) Fort Bend County, the City of Sugar Land, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;
(2) include terms on which the parties agree;
(3) be payable from taxes or any other source of revenue that may be available for that project or service; and
(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;
(2) this state or a state agency;
(3) any political subdivision of this state; and
(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.105. COMPETITIVE BIDDING. The district may enter a contract for more than $50,000 for services, improvements, or the purchase of property, including materials, machinery, equipment, and supplies, only as provided by Subchapter K, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.106. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. The district must obtain the City of Sugar Land's approval of the plans and specifications of any district improvement project related to the use of land owned by the City of Sugar Land, an easement granted by
the City of Sugar Land, or a right-of-way of a street, road, or highway.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.107. LIMITATION ON CERTAIN ACTIONS AFFECTING FACILITY OF TEXAS DEPARTMENT OF TRANSPORTATION. The district may not relocate, adjust, raise, lower, reroute, or change the grade or the construction of a facility under the jurisdiction of the Texas Department of Transportation without the department's written approval.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.108. ANNEXATION OR EXCLUSION OF TERRITORY. The district may annex or exclude land, whether located inside or outside the boundaries of the city of Sugar Land, as provided by Subchapter J, Chapter 49, Water Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 4, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3804.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Fort Bend County;

(2) the owners of a majority of the surface area of real
property in the district, according to the most recent certified tax appraisal roll for Fort Bend County, excluding roads, streets, highways, and utility rights-of-way, other public areas, and any other property exempt from assessment under this chapter; or
(3) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Fort Bend County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3804.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements
constructed or acquired by the district; or
(2) provide a service.

(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

(d) The board may correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code.

(e) If equipment installed, at no cost to the district, on assessed property reduces the district's cost of providing a service, the district may reduce the amount of the assessment against the property for the person required to pay the assessment by an amount equal to the money saved by the equipment or may rebate the money saved to the person required to pay the assessment. The amount of money saved is determined solely by the district. The district shall determine and apply rebates and reductions under this subsection in a nondiscriminatory manner.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3804.157. PROPERTY EXEMPT FROM ASSESSMENTS AND IMPACT FEES. The district may not, without the consent of the owner, impose an impact fee or assessment under Chapter 375, Local Government Code, on:

(1) a condominium for which the owner meets all the requirements to claim a homestead exemption, a single-family detached residential property, or a residential duplex, triplex, or fourplex;

(2) a tract consistently and continuously used for:
   (A) religious worship or a school that is maintained or owned by or affiliated with a religious organization; or
   (B) a use ancillary to and in keeping with the operation of a full-service church or school affiliated with a religious organization;

(3) a tract owned by this state or the United States and used for a public purpose;

(4) a tract owned by the City of Sugar Land, Fort Bend County, or another political subdivision and used for a public purpose; or

(5) a tract that is owned in fee simple by a community services association or property owners' association and that is not leased to a person who is not exempt under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.158. OBLIGATIONS; APPROVAL BY CITY OF SUGAR LAND. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) Except as provided by Subsection (d), the district must obtain the approval of the City of Sugar Land:
(1) for the issuance of a bond for each improvement project; and

(2) of the plans and specifications of the improvement project to be financed by the bond.

(d) If the district obtains the approval of the City of Sugar Land of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Sugar Land.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3804.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

(c) The board may not call an election under this chapter unless a written petition requesting an election is filed with the board. The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Fort Bend County;

(2) the owners of the majority of the surface area of real property in the district, according to the most recent certified tax appraisal roll for Fort Bend County, excluding roads, streets, highways, and utility rights-of-way, other public areas, and any other property exempt from assessment under this chapter; or

(3) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Fort Bend County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
SUBCHAPTER E. DISSOLUTION

Sec. 3804.201. DISSOLUTION OF DISTRICT. (a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, except that the dissolution must be approved by:

(1) a three-fourths vote of the board; and

(2) a two-thirds vote of the City of Sugar Land's governing body.

(b) Despite this section and Section 375.264, Local Government Code, the district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, if the district has debt. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3805. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3805.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Harris County Improvement District No. 3.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.003(b), eff. September 1, 2005.

Sec. 3805.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3. A special district known as the "Harris County Improvement District No. 3" is a governmental agency and political subdivision of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.003(c), eff. September 1, 2005.

Sec. 3805.003. PURPOSE; DECLARATION OF INTENT. (a) The
creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of September 1, 1997, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3805.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) Each improvement project or service authorized by this chapter is essential to carry out a public purpose.

(d) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

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

(2) provide needed funding for the Kirby Drive vicinity of the city of Houston to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing public art and pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty;

(4) promote and benefit commercial development and commercial areas in the Kirby Drive vicinity of the city of Houston; and

(5) promote and develop public transportation and pedestrian facilities and systems using new and alternative means that are attractive, safe, and convenient, including securing expanded and improved transportation and pedestrian facilities and systems, to:

(A) address the problem of traffic congestion in the district, the need to control traffic and improve pedestrian safety, and the limited availability of money; and

(B) benefit the land and other property in the district and the residents, employers, employees, visitors, and consumers in the district and the public.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Section 376.154, Local Government Code, as that territory may have been modified under:

(1) Section 3805.105 or its predecessor statutes, former Section 376.124(b), Local Government Code, as added by Chapter 275, Acts of the 75th Legislature, Regular Session, 1997, and former Section 376.154(b), Local Government Code;

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

(3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1202, Acts of the 77th Legislature, Regular Session, 2001, amending former Section 376.154, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:

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

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

(3) the district's right to impose and collect an assessment or tax; or

(4) the legality or operation of the district or the board.

(c) A description of the district's boundaries shall be filed with the Texas Commission on Environmental Quality. The commission by order may correct a mistake in the description of the district's boundaries.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3805.006. TORT LIABILITY. The district is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are essential government functions and are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3805.007. ELIGIBILITY FOR REINVESTMENT ZONES. All or any part of the area of the district is eligible to be included in a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code.
Sec. 3805.009. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3805.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of five directors who serve staggered terms of four years.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if a majority of the board finds that it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than nine; or
(2) decrease the number of directors to fewer than five.

(c) Sections 49.053, 49.054, 49.056, 49.057, 49.058, and 49.060, Water Code, apply to the board.

(d) Subchapter D, Chapter 375, Local Government Code, applies to the board to the extent that subchapter does not conflict with this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3805.052. APPOINTMENT OF DIRECTORS ON INCREASE IN BOARD SIZE. If the board increases the number of directors under Section 3805.051, the board shall appoint qualified persons to fill the new director positions and shall provide for staggering the terms of the directors serving in the new positions. On expiration of the term of a director appointed under this section, a succeeding director shall be appointed and qualified as provided by Subchapter D, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3805.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code;

(3) the powers, duties, and contracting authority specified by Subchapters H and I, Chapter 49, Water Code;

(4) the powers given to a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that chapter; and

(5) the powers of a housing finance corporation created under Chapter 394, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.34, eff. April 1, 2009.

Sec. 3805.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3805.103. ELECTIONS. (a) District elections must be held in the manner provided by Subchapter L, Chapter 375, Local Government Code.

(b) The board may submit multiple purposes in a single proposition at an election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3805.104. CONTRACT FOR LAW ENFORCEMENT AND SECURITY SERVICES. The district may contract with:

(1) Harris County or the City of Houston for the county or city to provide law enforcement and security services for a fee; and

(2) a private entity for the private entity to provide supplemental security services.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3805.105. ANNEXATION OR EXCLUSION OF TERRITORY. The district may annex or exclude land from the district in the manner provided by Subchapter C, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3805.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 5, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3805.151. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM TAXES, AND IMPACT FEES. The district may impose, assess, charge, or collect an assessment, an ad valorem tax, an impact fee, or another fee in accordance with Chapter 49, Water Code, for a purpose specified by Chapter 375, Local Government Code, or as needed to exercise a power or function or to accomplish a purpose or duty for which the district was created.
Sec. 3805.152. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3805.103, the district may impose an annual ad valorem tax on taxable property in the district to maintain, restore, replace, or operate the district and improvements that the district constructs or acquires or the district's facilities, works, or services.

(b) The board shall determine the tax rate.

Sec. 3805.1525. ASSESSMENT IN PART OF DISTRICT. An assessment may be imposed on only a part of the district if only that part will benefit from the service or improvement.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.003(d), eff. September 1, 2005.

Sec. 3805.1526. PETITION REQUIRED FOR ASSESSMENT AND FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not impose an assessment or finance a service or improvement project under this chapter unless a written petition requesting the improvement or service has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district or in the area of the district that will be subject to the assessment as determined by the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 persons who own real property in the district or the area of the district that will be subject to the assessment, if more than 25 persons own real property in the district or area that will be subject to the assessment as determined by the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.003(d), eff. September 1, 2005.
Sec. 3805.153. ASSESSMENTS CONSIDERED TAXES. For purposes of a title insurance policy issued under Title 11, Insurance Code, an assessment is a tax.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
   Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 11.160, eff. September 1, 2005.

Sec. 3805.154. LIENS FOR ASSESSMENTS; SUITS TO RECOVER ASSESSMENTS. (a) An assessment imposed on property under this chapter is a personal obligation of the person who owns the property on January 1 of the year for which the assessment is imposed. If the person transfers title to the property, the person is not relieved of the obligation.

(b) On January 1 of the year for which an assessment is imposed on a property, a lien attaches to the property to secure the payment of the assessment and any interest accrued on the assessment. The lien has the same priority as a lien for district taxes.

(c) Not later than the fourth anniversary of the date on which a delinquent assessment became due, the district may file suit to foreclose the lien or to enforce the obligation for the assessment, or both, and for any interest accrued.

(d) In addition to recovering the amount of the assessment and any accrued interest, the district may recover reasonable costs, including attorney's fees, that the district incurs in foreclosing the lien or enforcing the obligation. The costs may not exceed an amount equal to 20 percent of the assessment and interest.

(e) If the district does not file a suit in connection with a delinquent assessment on or before the last date on which the district may file suit under Subsection (c), the assessment and any interest accrued is considered paid.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3805.155. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENT AND IMPACT FEES. The district may not impose an impact fee or assessment on the property, including equipment or facilities, of:
(1) an electric utility as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.003(e), eff. September 1, 2005.

Sec. 3805.156. DEBT. The district may issue bonds, notes, or other debt obligations in accordance with Subchapters I and J, Chapter 375, Local Government Code, for a purpose specified by that chapter or as required to exercise a power or function or to accomplish a purpose or duty for which the district was created.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3805.157. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:

(1) burying or removing electrical power lines, telephone lines, cable or fiber optic lines, or any other type of electrical or optical line;

(2) removing poles and any elevated lines using the poles; and

(3) reconnecting the lines described by Subdivision (2) to the buildings or other improvements to which the lines were connected.

(b) The district may acquire, operate, or charge fees for the use of the district conduits for:

(1) another person's:

(A) telecommunications network;

(B) fiber-optic cable; or

(C) electronic transmission line; or

(2) any other type of transmission line or supporting
facility.

(c) The district may not require a person to use a district conduit.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.003(f), eff. September 1, 2005.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3805.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.

(a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code.

(b) Regardless of Section 375.264, Local Government Code, if the district has debt, the district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**SUBCHAPTER F. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES**

Sec. 3805.251. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

(b) Before the district may act under Subsection (a), a petition must be filed with the district that requests the action with regard to a public transit system. The petition must be signed by owners of property representing a majority of the total assessed value or a majority of the area of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located. The determination of a majority is based on the property owners along the entire right-of-way of the proposed transit project and may not be computed on a block-by-block basis.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.003(g), eff. September 1, 2005.
Sec. 3805.252. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities, including:
(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles; and
(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.
(b) A parking facility of the district must be leased to or operated on behalf of the district by an entity other than the district.
(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution, and serve a public purpose under that section even if leased or operated by a private entity for a term of years.
(d) The district's public parking facilities and any lease to a private entity are exempt from the payment of ad valorem taxes and state and local sales and use taxes.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.003(g), eff. September 1, 2005.

Sec. 3805.253. RULES FOR TRANSIT OR PARKING SYSTEM. (a) The district may adopt rules covering its public transit system or its public parking facilities.
(b) A rule adopted under this section that relates to or affects the use of the public right-of-way or a requirement for off-street parking is subject to all applicable municipal charter, code, or ordinance requirements.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.003(g), eff. September 1, 2005.

Sec. 3805.254. PAYING COST OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring and operating a public transit system or public parking facilities.
(b) The district may:
set and impose fees, charges, or tolls for the use of the public transit system or the public parking facilities; and

(2) issue bonds or notes to finance the cost of these facilities.

(c) Except as provided by Section 3805.251, if the district pays for or finances the cost of acquiring or operating a public transit system or public parking facilities with resources other than assessments, a petition of property owners or a public hearing is not required.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.003(g), eff. September 1, 2005.

Sec. 3805.255. PAYMENT IN LIEU OF TAXES TO OTHER TAXING UNIT. If the district's acquisition of property for a parking facility that is leased to or operated by a private entity results in removing from a taxing unit's tax rolls real property otherwise subject to ad valorem taxation, the district shall pay to the taxing unit in which the property is located, on or before January 1 of each year, as a payment in lieu of taxes, an amount equal to the ad valorem taxes that otherwise would have been levied for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the property.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.003(g), eff. September 1, 2005.

CHAPTER 3806. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3806.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Harris County Improvement District No. 2.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 2. A special district known as the "Harris County Improvement District No.
2" is a governmental agency and political subdivision of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of September 1, 1997, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.
(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the area in the district as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.
(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.
(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 679, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.214, Local Government Code, as that territory may have been modified under:
(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.
(b) The boundaries and field notes of the district contained in Section 1, Chapter 679, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.214, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:
(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond,
including a refunding bond, for a purpose for which the district is
created or to pay the principal of and interest on the bond;
(3) the district's right to impose and collect an
assessment or tax; or
(4) the legality or operation of the district or the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.006. APPLICABILITY OF OTHER LAW. Except as otherwise
provided by this chapter, Chapter 375, Local Government Code, applies
to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter
shall be liberally construed in conformity with the findings and
purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3806.051. BOARD OF DIRECTORS; TERMS. (a) The district
is governed by a board of nine directors who serve staggered terms of
four years, with four or five directors' terms expiring June 1 of
each odd-numbered year.

(b) The board by resolution may increase or decrease the number
of directors on the board, but only if it is in the best interest of
the district to do so. The board may not:
(1) increase the number of directors to more than 30; or
(2) decrease the number of directors to fewer than nine.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.052. APPOINTMENT OF DIRECTORS. The mayor and members
of the governing body of the City of Houston shall appoint directors
from persons recommended by the board who meet the requirements of
Subchapter D, Chapter 375, Local Government Code.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3806.101. DISTRICT POWERS. The district has:
(1) all powers necessary to accomplish the purposes for which the district was created;
(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code; and
(3) the powers given to a corporation under Chapter 505, Local Government Code, and the power to own, operate, acquire, construct, lease, improve, and maintain projects.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.35, eff. April 1, 2009.

Sec. 3806.103. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.104. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with Harris County or the City of
Houston for the county or the city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;
(2) include terms on which the parties agree;
(3) be payable from taxes or any other source of revenue that may be available for that project or service; and
(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;
(2) this state or a state agency;
(3) any political subdivision of this state; and
(4) a public or private corporation, including a nonprofit corporation created under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3806.105. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 6, eff. June 17, 2005.
requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3806.159, the district may impose an annual ad valorem tax on taxable property in the district to:
(1) maintain and operate the district and the improvements constructed or acquired by the district; or
(2) provide a service.
(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceeding.

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

(d) The board may correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS. (a) The district may not impose a tax, impact fee, or assessment on a residential property, multiunit residential property, or condominium.

(b) The district may not impose an impact fee or assessment on the property, equipment, or facilities of an electric utility as
defined by Section 31.002, Utilities Code.
Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of a district improvement project related to the use of:
   (A) land owned by a municipality;
   (B) an easement granted by a municipality; or
   (C) a right-of-way of a street, road, or highway.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.
Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3806.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or
(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3806.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3807. GREATER EAST END MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3807.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "District" means the Greater East End Management District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.002. GREATER EAST END MANAGEMENT DISTRICT. A special district in Harris County known as the "Greater East End Management District" is a governmental agency and political subdivision of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the
district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of May 10, 1999, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the Greater East End area of the city of Houston to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty; and

(4) eliminate unemployment and underemployment and develop or expand transportation and commerce by providing or by participating with other entities and educational institutions in establishing, equipping, financing, and operating workforce development, workforce education, and job training opportunities.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 47, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.264, Local Government Code, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 47, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.264, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose and collect an assessment or tax; or
(4) the legality or operation of the district or the board.
Sec. 3807.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3807.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 15 directors who serve staggered terms of four years, with seven directors' terms expiring June 1 of an odd-numbered year and eight directors' terms expiring June 1 of the following odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or
(2) decrease the number of directors to fewer than nine.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board.

(b) Appointments to the board must ensure that at least one-third of the directors are residents of the district.

(c) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 275, Sec. 2, eff. June 17, 2011.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3807.053. BOARD OFFICERS. Notwithstanding Section 375.068, Local Government Code, the board shall select a presiding officer and other officers according to a rotating schedule as determined by the board. A presiding officer may not serve consecutive terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 881 (S.B. 2522), Sec. 2, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3807.101. POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created; and

(2) the powers given to a corporation under Chapter 505, Local Government Code, and the power to own, operate, acquire, construct, lease, improve, and maintain projects.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.36, eff. April 1, 2009.

Sec. 3807.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.103. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized by this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;
(2) include terms on which the parties agree;
(3) be payable from taxes or any other source of revenue that may be available for that project or service; or
(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;
(2) this state or a state agency;
(3) any political subdivision of this state; and
(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.
Sec. 3807.104. PLANS FOR WORKFORCE DEVELOPMENT SERVICES. (a) The district shall develop and implement one or more plans for workforce development services. The services may include:

1. job training;
2. workforce education;
3. financing of special educational opportunities;
4. student summer work programs; or
5. other projects that promote workforce development.

(b) To assist in implementing a plan for workforce development services, the district may:

1. accept a donation, grant, or loan from any person;
2. work with a school at any level;
3. work with any person that provides workforce development money or projects; or
4. participate with any other entity.

Sec. 3807.105. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 7, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3807.151. PETITION REQUIRED FOR FINANCING SERVICE OR IMPROVEMENT. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

1. the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or
2. at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County.
Sec. 3807.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or a service for a project or activity the district may acquire, construct, improve, or provide under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3807.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or
(2) provide a service.

(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The
board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

(d) The board may correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3807.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS. (a) The district may not impose a tax, impact fee, or assessment on a:

(1) single-family detached residential property;

(2) multiunit residential property consisting of fewer than 13 units; or

(3) condominium, if the condominium receives a residence homestead exemption under Section 11.13, Tax Code, for the year in which the tax, impact fee, or assessment is imposed.

(b) The district may not impose an impact fee or assessment on the property, equipment, or facilities of a person that provides to the public cable television, gas, light, power, telephone, sewage, or water service.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3807.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of a district improvement project related to:

(A) the use of land owned by the City of Houston;

(B) an easement granted by the City of Houston; or

(C) a right-of-way of a street, road, or highway.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
(1) impose a maintenance tax; or
(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3807.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or obligations according to their terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3808. EAST DOWNTOWN MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3808.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the East Downtown Management District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.002. EAST DOWNTOWN MANAGEMENT DISTRICT. A special district known as the "East Downtown Management District" is a governmental agency and political subdivision of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the
public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of June 19, 1999, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the east downtown area of the city of Houston to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and
developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic and aesthetic
beauty.

(e) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, and street art objects are parts of and necessary
components of a street and are considered to be a street or road
improvement.

(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many
private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.005. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 1, Chapter 1493, Acts
of the 76th Legislature, Regular Session, 1999, enacting former
Section 376.304, Local Government Code, as that territory may have
been modified under:

(1) Section 3808.105 or its predecessor statute, former
Section 376.327, Local Government Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district contained in
Section 1, Chapter 1493, Acts of the 76th Legislature, Regular
Session, 1999, enacting former Section 376.304, Local Government
Code, form a closure. A mistake in the field notes or in copying the
field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond,
including a refunding bond, for a purpose for which the district is
created or to pay the principal of and interest on the bond;
(3) the district's right to impose and collect an
assessment or tax; or
(4) the legality or operation of the district or the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3808.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district, the board, and district employees.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3808.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 17 directors who serve staggered terms of four years, with nine directors' terms expiring June 1 of an odd-numbered year and eight directors' terms expiring June 1 of the following odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or

(2) decrease the number of directors to fewer than nine.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board who meet the qualifications prescribed by Subchapter D, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City
of Houston;
   (2) the chief of police of the City of Houston;
   (3) the general manager of the Metropolitan Transit
Authority of Harris County, Texas; and
   (4) the president of each institution of higher learning
located in the district.
   (b) If a department described by Subsection (a) is
consolidated, renamed, or changed, the board may appoint a director
of the consolidated, renamed, or changed department as a nonvoting ex
officio director. If a department described by Subsection (a) is
abolished, the board may appoint a representative of another
department of the City of Houston that performs duties comparable to
those performed by the abolished department.
   (c) The board may appoint the presiding officer of a nonprofit
corporation that is actively involved in activities in the east
downtown area of the city of Houston to serve as a nonvoting ex
officio director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.054. CONFLICTS OF INTEREST. (a) Except as provided
by this section:
   (1) a director may participate in all board votes and
decisions; and
   (2) Chapter 171, Local Government Code, governs conflicts
of interest of directors.
   (b) Section 171.004, Local Government Code, does not apply to
the district. A director who has a substantial interest in a
business or charitable entity that will receive a pecuniary benefit
from a board action shall file an affidavit with the board secretary
declaring the interest. Another affidavit is not required if the
director's interest changes.
   (c) After the affidavit is filed, the director may participate
in a discussion or vote on that action if:
   (1) a majority of the directors have a similar interest in
the same entity; or
   (2) all other similar business or charitable entities in
the district will receive a similar pecuniary benefit.
   (d) A director who is also an officer or employee of a public
entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3808.101. DISTRICT POWERS. The district has:
(1) all powers necessary to accomplish the purposes for which the district was created;
(2) the powers given to a corporation under Chapter 505, Local Government Code, and the power to own, operate, acquire, construct, lease, improve, and maintain projects; and
(3) the powers given to a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.37, eff. April 1, 2009.

Sec. 3808.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the conditions of the board of directors of a local government
corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.103. CONTRACTS; GRANTS; DONATIONS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;
(2) include terms on which the parties agree;
(3) be payable from taxes or any other source of revenue that may be available for that project or service; or
(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from, or accept a donation from, any person, including:

(1) the United States;
(2) this state or a state agency;
(3) any political subdivision of this state; and
(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

(e) The implementation of a project is a governmental function or service for purposes of Chapter 791, Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.104. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or
Sec. 3808.105. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Houston under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 8, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3808.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.
Sec. 3808.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, OR IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3808.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.156. ASSESSMENTS; LIEN FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

(d) The board may correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS. The district may not impose:

(1) a tax, impact fee, or assessment on a residential property or condominium; or

(2) an impact fee or assessment on the property, equipment, or facilities of a person that provides to the public cable television, gas, light, power, telephone, sewage, or water service.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:
(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of a district improvement project related to:
   (A) the use of land owned by the City of Houston;
   (B) an easement granted by the City of Houston; or
   (C) a right-of-way of a street, road, or highway.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3808.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3808.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its other obligations according to their terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
CHAPTER 3809. MIDTOWN MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3809.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Midtown Management District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.002. MIDTOWN MANAGEMENT DISTRICT. The Midtown Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of August 30, 1999, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3809.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the midtown area of the city of Houston to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1017, Acts of the 76th Legislature, Regular Session, 1999, enacting former
Section 376.304, Local Government Code, as that territory may have been modified under:

(1) Section 3809.107 or its predecessor statutes, former Section 376.316, Local Government Code, as added by Chapter 1017, Acts of the 76th Legislature, Regular Session, 1999, and former Section 376.366, Local Government Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1017, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.304, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment; or
(4) legality or operation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district, the board, and district employees.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3809.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 17 directors who serve staggered terms of
four years with eight directors' terms expiring June 1 of an odd-numbered year and nine directors' terms expiring June 1 of the following odd-numbered year.

(b) A director shall receive compensation as provided by Section 49.060, Water Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.052. APPOINTMENT OF DIRECTORS; IMMUNITY. (a) The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members and the mayor vote to appoint that person.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors being residents of the city of Houston.

(c) District directors are public officials entitled to governmental immunity for their official actions.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City of Houston;

(2) the chief of police of the City of Houston;

(3) Harris County's general manager of the Metropolitan Transit Authority of Harris County, Texas; and

(4) the president of each institution of higher learning located in the district.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department of the City of Houston that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of a nonprofit
corporation that is actively involved in activities in the midtown area of the city of Houston to serve as a nonvoting ex officio director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.054. CONFLICTS OF INTEREST. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of board members.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3809.101. DISTRICT POWERS. The district may exercise the powers given to:

(1) a corporation created under Chapter 505, Local Government Code; and
(2) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
    Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.38, eff. April 1, 2009.

Sec. 3809.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.
    (b) The nonprofit corporation:
        (1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
        (2) may implement any project and provide any service authorized by this chapter.
    (c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.103. AGREEMENTS, DONATIONS, GRANTS, AND LOANS. (a) The district may enter into an agreement with or accept a donation, grant, or loan from any person.
    (b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide
law enforcement services in the district for a fee.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.106. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Houston's governing body:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of an improvement project financed by the bond; and

(3) of the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval of the City of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.107. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Houston under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3809.108. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 9, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3809.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 owners of land in the district, if more than 25 persons own property in the district according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.153. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, on all property in the district, including industrial, commercial, or residential property, to finance:

(1) an improvement this chapter authorizes the district to construct or acquire; or

(2) a service this chapter authorizes the district to provide.
Sec. 3809.154. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3809.158, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate.

Sec. 3809.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

Sec. 3809.156. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS AND IMPACT FEES. The district may not impose an assessment or impact fee
on the property of a person that provides to the public gas, electricity, telephone, sewage, or water service.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.157.  CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT.  Section 375.161, Local Government Code, does not apply to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.158.  ELECTIONS REGARDING TAXES OR BONDS.  (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may include more than one purpose in a single proposition at an election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3809.159.  MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.  Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3809.201.  DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.  (a) The board may dissolve the district regardless of whether the district has debt.  Section 375.264, Local Government Code, does not apply to the district.

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

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3810. HARRIS COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3810.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Harris County Municipal Management
District No. 1.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.002. HARRIS COUNTY MUNICIPAL MANAGEMENT DISTRICT NO.
1. The Harris County Municipal Management District No. 1 is a
special district created under Section 59, Article XVI, Texas
Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.003. PURPOSE; DECLARATION OF INTENT. (a) The
creation of the district is essential to accomplish the purposes of
Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas
Constitution, and other public purposes stated in this chapter. By
creating the district and in authorizing Harris County, the City of
Houston, and other political subdivisions to contract with the
district, the legislature has established a program to accomplish the
public purposes set out in Section 52-a, Article III, Texas
Constitution.

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

(c) This chapter and the creation of the district may not be
interpreted to relieve Harris County or the City of Houston from
providing the level of services provided as of June 18, 1999, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.
(c) The creation of the district is in the public interest and is essential to:
   (1) further the public purposes of developing and diversifying the economy of the state;
   (2) eliminate unemployment and underemployment; and
   (3) develop or expand transportation and commerce.
(d) The district will:
   (1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district and of the public;
   (2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and
   (3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.
(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.
(f) The district may not act as the agent or instrumentality of
any private interest even though the district will benefit many private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.005.  DISTRICT TERRITORY.  (a)  The district is composed of the territory described by Chapter 1324, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.304, Local Government Code, as that territory may have been modified under:

(1)  Section 3810.107, or its predecessor statutes, former Section 376.316, Local Government Code, as added by Chapter 1324, Acts of the 76th Legislature, Regular Session, 1999, and former Section 376.416, Local Government Code;
(2)  Subchapter J, Chapter 49, Water Code;  or
(3)  other law.

(b)  The boundaries and field notes of the district contained in Chapter 1324, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.304, Local Government Code, form a closure.  A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1)  organization, existence, or validity;
(2)  right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3)  right to impose or collect an assessment or tax;  or
(4)  legality or operation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.006.  APPLICABILITY OF OTHER LAW.  Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.007.  LIBERAL CONSTRUCTION OF CHAPTER.  This chapter shall be liberally construed in conformity with the findings and
purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3810.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 11 directors who serve staggered terms of four years.

(b) A director shall receive compensation as provided by Section 49.060, Water Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members and the mayor vote to appoint the person.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors being residents of the city of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City of Houston;

(2) the chief of police of the City of Houston;

(3) Harris County's general manager of the Metropolitan Transit Authority of Harris County, Texas; and

(4) the president of each institution of higher learning located in the district.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is
abolished, the board may appoint a representative of another department of the City of Houston that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of a nonprofit corporation actively involved in activities in the area of the district in the city of Houston to serve as a nonvoting ex officio director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.054. CONFLICTS OF INTEREST. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3810.101. DISTRICT POWERS. (a) The district may exercise the powers given to:

(1) a corporation created under Chapter 505, Local Government Code;

(2) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and

(3) an eligible political subdivision under Chapter 221, Natural Resources Code.

(b) The district may exercise its powers in an area outside the district if the board determines that exercising that power benefits the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.39, eff. April 1, 2009.

Sec. 3810.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.103. AGREEMENTS, DONATIONS, GRANTS, AND LOANS. (a) The district may enter into an agreement with or accept a donation,
grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for purposes of Chapter 791, Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Harris County or the City of Houston for the county or city to provide law enforcement services in the district for a fee.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.106. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain approval from the City of Houston's governing body:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) If the district obtains approval from the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3810.107. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Houston under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.108. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 10, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3810.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.153. MAINTENANCE TAX. (a) The district may impose an annual ad valorem tax on taxable property in the district to maintain and operate the district and the improvements constructed or acquired by the district or to provide a service only if:

(1) two-thirds of the directors vote in favor of imposing
the tax; and
  (2) the tax is authorized at an election held in accordance with Section 3810.156.
(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter only if two-thirds of the directors vote in favor of imposing the assessment.
(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:
  (1) are a first and prior lien against the property assessed;
  (2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
  (3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceeding.
(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property of a person who provides to the public gas, electric, telephone, sewage, or water service.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3810.156. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or
(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3810.157. MUNICIPALITY NOT OBLIGATED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not obligated to pay a bond, note, or other obligation of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3810.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3811. NEAR NORTHWEST MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3811.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "District" means the Near Northwest Management District.
Sec. 3811.002. NEAR NORTHEAST MANAGEMENT DISTRICT. A special district known as the "Near Northwest Management District" is a governmental agency and political subdivision of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of May 28, 2001, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers
granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the near northwest area of the city of Houston to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.005. DISTRICT TERRITORY. (a) The district is composed of the territory contained in the area bounded by T.C. Jester Boulevard on the east, Pinemont Drive on the south, Hollister Drive projected to State Road 249 on the west, and State Road 249 on the north, as those roads existed on May 28, 2001, and as that territory may have been modified under:

(1) Section 3811.104 or its predecessor statute, former Section 376.479, Local Government Code, as added by Section 1,
Chapter 418, Acts of the 77th Legislature, Regular Session, 2001;

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

(3) other law.

(b) The boundaries described by Subsection (a) form a closure. A mistake in the description in the legislative process does not in any way affect:

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

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

(3) the district's right to impose and collect an assessment or tax; or

(4) the legality or operation of the district or the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district, the board, and district employees.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3811.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of nine directors who serve staggered terms of four years with five directors' terms expiring June 1 of an odd-numbered year and four directors' terms expiring June 1 of the following odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or
(2) decrease the number of directors to fewer than nine.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board who meet the qualifications prescribed by Subchapter D, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City of Houston;
(2) the chief of police of the City of Houston;
(3) the general manager of the Metropolitan Transit Authority of Harris County, Texas; and
(4) the president of each institution of higher learning located in the district.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department of the City of Houston that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of a nonprofit corporation that is actively involved in activities in the near northwest area of the city of Houston to serve as a nonvoting ex officio director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.054. CONFLICTS OF INTEREST. (a) Except as provided by this section:

(1) a director may participate in all board votes and
decisions; and
(2) Chapter 171, Local Government Code, governs conflicts of interest of directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:
(1) a majority of the directors have a similar interest in the same entity; or
(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3811.101. DISTRICT POWERS. The district has:
(1) all powers necessary to accomplish the purposes for which the district was created;
(2) the powers given to a corporation under Chapter 505, Local Government Code, and the power to own, operate, acquire, construct, lease, improve, and maintain projects; and
(3) the powers given to a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.40, eff. April 1, 2009.
Sec. 3811.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.103. CONTRACTS; GRANTS; DONATIONS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; or

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from, or
accept a donation from, any person, including:
   (1) the United States;
   (2) this state or a state agency;
   (3) any political subdivision of this state; or
   (4) a public or private corporation, including a nonprofit
corporation created by the board under this subchapter.
(d) The district may perform all acts necessary for the full
exercise of the powers vested in the district on terms and for the
period the board determines advisable.
(e) The implementation of a project is a governmental function
or service for the purposes of Chapter 791, Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.104. ANNEXATION. In addition to the authority to
annex territory under Subchapter C, Chapter 375, Local Government
Code, the district has the authority to annex territory located in a
reinvestment zone created by the City of Houston under Chapter 311,
Tax Code, if the city's governing body consents to the annexation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.105. NO EMINENT DOMAIN POWER. The district may not
exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 11, eff. June
17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3811.151. PETITION REQUIRED FOR FINANCING SERVICES AND
IMPROVEMENTS. (a) The board may not finance a service or an
improvement project under this chapter unless a written petition
requesting that service or improvement is filed with the board.
(b) The petition must be signed by:
   (1) the owners of a majority of the assessed value of real
property in the district according to the most recent certified tax
appraisal roll for Harris County; or
   (2) at least 50 owners of land in the district, if more
than 50 persons own land in the district according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3811.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or
(2) provide a service.

(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3811.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

(d) The board may correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.157. PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on:

(1) a residence homestead as defined by Section 11.13, Tax Code; or

(2) the property, equipment, or facilities of a person that provides to the public cable television, gas, light, power, telephone, sewage, or water service.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3811.158.  OBLIGATIONS; APPROVAL BY CITY OF HOUSTON.  (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

    (b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

    (c) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

        (1) for the issuance of a bond for each improvement project;

        (2) of the plans and specifications of the improvement project to be financed by the bond; and

        (3) of the plans and specifications of a district improvement project related to:

            (A) the use of land owned by the City of Houston;

            (B) an easement granted by the City of Houston; or

            (C) a right-of-way of a street, road, or highway.

    (d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3811.159.  ELECTIONS REGARDING TAXES OR BONDS.  (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

    (1) impose a maintenance tax; or

    (2) issue a bond payable from ad valorem taxes or assessments.

    (b) The board may submit multiple purposes in a single proposition at an election.
Sec. 3811.160.  SALES AND USE TAX PROHIBITED.  The district may not impose a sales and use tax.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3811.201.  DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.  If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**CHAPTER 3812. GREATER NORTHSIDE MANAGEMENT DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3812.001.  DEFINITIONS.  In this chapter:

(1)  "Board" means the board of directors of the district.

(2)  "District" means the Greater Northside Management District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.002.  GREATER NORTHSIDE MANAGEMENT DISTRICT.  The Greater Northside Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.003.  PURPOSE; DECLARATION OF INTENT.  (a)  The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of June 16, 2001, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street
landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Chapter 1356, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, as that territory may have been modified under:

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

(2) other law.

(b) The boundaries and field notes of the district contained in Chapter 1356, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and
purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3812.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 11 directors who serve staggered terms of four years with five directors' terms expiring June 1 of an odd-numbered year and six directors' terms expiring June 1 of the following odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or
(2) decrease the number of directors to fewer than nine.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board who meet the qualifications prescribed by Subchapter D, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3812.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created; and
(2) the powers given to a corporation under Chapter 505, Local Government Code, and the power to own, operate, acquire, construct, lease, improve, and maintain projects.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.41, eff. April 1, 2009.
Sec. 3812.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.103. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; and

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:
(1) the United States;
(2) this state or a state agency;
(3) any political subdivision of this state; and
(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.104. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 12, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3812.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3812.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3812.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or
(2) provide a service.

(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

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

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

(d) The board may correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS. (a) The district may not impose a tax, impact fee, or assessment on a residential property, multiunit residential property, or condominium.

(b) The district may not impose an impact fee or assessment on the property, equipment, or facilities of a person that provides to the public cable television, gas, light, power, telephone, sewage, or water service.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:
(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of a district improvement project related to:
   (A) the use of land owned by the City of Houston;
   (B) an easement granted by the City of Houston; or
   (C) a right-of-way of a street, road, or highway.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3812.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the election required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

   (1) impose a maintenance tax; or
   (2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3812.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
CHAPTER 3813. OLD TOWN SPRING IMPROVEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3813.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Old Town Spring Improvement District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.002. OLD TOWN SPRING IMPROVEMENT DISTRICT. The Old Town Spring Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

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

(c) This chapter and the creation of the district do not relieve Harris County from providing the level of services provided as of September 1, 2001, to the area in the district. The district is created to supplement and not to replace the county services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE; GENERAL DUTIES. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III,
and Section 59, Article XVI, Texas Constitution, and other powers
granted under this chapter.

(c) The creation of the district is in the public interest and
is essential to:

(1) further the public purposes of developing and
diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district shall:

(1) promote the health, safety, and general welfare of
residents, merchants, landowners, employers, potential employees,
employees, visitors, and consumers in the district, and of the
public;
(2) provide needed funding for the Old Town Spring area to
preserve, maintain, and enhance the economic health and vitality of
the area as a community and business center;
(3) provide and maintain common areas and facilities in the
district to ensure scenic beauty;
(4) provide improvements in the district to promote the
welfare of the public, residents, merchants, and landowners in the
district; and
(5) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and
developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic beauty.

(e) The district may not act as the agent or instrumentality of
any private interest even though the district will benefit many
private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.005. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 1, Chapter 1371, Acts
of the 77th Legislature, Regular Session, 2001, enacting former
Section 376.454, Local Government Code, as that territory may have
been modified under:

(1) Section 3813.107(a) or its predecessor statute, former
Section 376.462(a)(3), Local Government Code, as added by Chapter
1371, Acts of the 77th Legislature, Regular Session, 2001;
Subchapter J, Chapter 49, Water Code; or other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1371, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. right to impose or collect an assessment or tax; or
4. legality or operation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3813.051. BOARD OF DIRECTORS. (a) The district is governed by a board of five directors who occupy numbered positions. The directors occupying positions one, two, and three are appointed under this section, and the directors occupying positions four and five are elected as provided by this section and Section 3813.052.

(b) The Commissioners Court of Harris County shall appoint:
1. one person who leases a retail store or who owns real property in the district to serve in position one for a three-year term;
2. one person who leases a retail store but does not own real property in the district to serve in position two for a two-year term; and
3. one person who owns real property in the district to serve in position three for a three-year term.

(c) A director elected under Section 3813.052 serves a two-year term. To qualify as a candidate for position four, a person must reside in the district. To qualify as a candidate for position five, a person must lease a retail store or own real property in the district.

(d) A term expires on January 31 of the appropriate year.

(e) In appointing directors under Subsection (b), the
commissioners court shall consider any recommendation received by an organization dedicated to the economic development of the Old Town Spring area.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.052. ELECTION OF DIRECTORS. (a) The board shall hold an election of directors for positions four and five in each even-numbered year on the uniform election date in February established by Section 41.001, Election Code.

(b) In addition to the contents required by the Election Code, notice of a directors' election must:

(1) state the number of directors to be voted on; and
(2) describe the qualifications for each position for which a candidate is running.

(c) In addition to requirements prescribed by the Election Code, the ballots for a directors' election shall describe the qualifications of the position for which each candidate is running.

(d) The board shall certify that the person receiving the highest number of votes for each position is elected as the director for that position.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.053. LAW GOVERNING ADMINISTRATION OF BOARD. Sections 375.066-375.070, Local Government Code, apply to the board as if it were established under Chapter 375 of that code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.054. VOTING BY BOARD PRESIDENT RESTRICTED. The board president may not vote except to break a tie vote.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3813.101. DISTRICT POWERS. The district has:
(1) all powers necessary to accomplish the purposes for which the district was created;
(2) the powers and duties of a municipal management district under Subchapter E, Chapter 375, Local Government Code; and
(3) the powers given to a corporation organized under the Development Corporation Act (Subtitle C1, Title 12, Local Government Code).

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.42, eff. April 1, 2009.

Sec. 3813.103. RULES. The district may adopt rules for:
(1) the administration and operation of the district;
(2) the use, enjoyment, availability, protection, security, and maintenance of the district's facilities; and
(3) the provision of public safety and security in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.104. SPECIFIC POWERS RELATING TO IMPROVEMENT PROJECTS OR SERVICES. (a) The district may undertake an improvement project separately or jointly with another person and pay all or part of the costs of an improvement project, including an improvement project that:

(1) improves, enhances, or supports public safety and security, fire protection, emergency medical services, or law enforcement in the district;
(2) confers a general benefit on the entire district and the areas adjacent to the district; or
(3) confers a special benefit on all or part of the district.

(b) A district improvement project or service may include:
(1) the construction, acquisition, lease, rental, installment purchase, improvement, rehabilitation, repair, relocation, and operation of:
(A) landscaping; lighting, banners, or signs; streets
or sidewalks; pedestrian or bicycle paths and trails; pedestrian walkways, skywalks, crosswalks, or tunnels; and highway right-of-way or transit corridor beautification and improvements;

(B) drainage or storm water detention improvements and solid waste, water, sewer, or power facilities and services, including electrical, gas, steam, and chilled water facilities and services;

(C) parks, lakes, gardens, recreational facilities, open space, scenic areas, and related exhibits and preserves; fountains, plazas, or pedestrian malls; public art or sculpture and related exhibits and facilities and educational or cultural exhibits and facilities, including exhibits, displays, attractions, or facilities for special events, holidays, or seasonal or cultural celebrations;

(D) off-street parking facilities, bus terminals, heliports, mass transit, and roadway or water transportation systems; and

(E) other public improvements, facilities, or services similar to the improvements, facilities, or services described by Paragraphs (A)-(D);

(2) the cost of removing, razing, demolishing, or clearing of land or improvements in connection with providing an improvement project;

(3) the acquisition of property or an interest in the property that is made in connection with an improvement project; and

(4) the provision of special or supplemental services to improve or promote the area in the district or to protect the public health and safety in the district, including advertising, promotion, tourism, health and sanitation, public safety, security, fire protection or emergency medical services, business recruitment, development, elimination of traffic congestion, and recreational, educational, or cultural improvements, enhancements, or services.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.105. LEASE, ACQUISITION, OR CONSTRUCTION OF BUILDING OR FACILITY; ECONOMIC DEVELOPMENT PROGRAMS. The district may, as if the district were a home-rule municipality with a population of more than 100,000:
issue bonds and lease, acquire, or construct a building or facility as provided by Subchapter A, Chapter 1509, Government Code; and
(2) establish and administer a program as provided by Section 380.002, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.106. CONTRACTS; GRANTS; DONATIONS. (a) The district may contract with any person to accomplish the purposes of this chapter on terms and for the period the board determines, including contracting for the payment of costs incurred by the person on behalf of the district, including all or part of the costs of an improvement project, from tax proceeds or any other specified source of money.
(b) The district may contract with a person to receive, administer, and perform the district's duties under a gift, grant, loan, conveyance, transfer, bequest, donation, or other financial arrangement relating to the investigation, planning, analysis, acquisition, construction, completion, implementation, or operation of a proposed or existing improvement project.
(c) Any person, including any type of governmental entity, may contract with the district to carry out the purposes of this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.107. ANNEXATION OR EXCLUSION OF TERRITORY. (a) The district may add or exclude territory in the manner provided by Subchapter J, Chapter 49, Water Code.
(b) Not later than the 10th day after the date on which the district annexes or excludes territory, the board shall send to the comptroller a certified copy of any resolution, order, or ordinance relating to the annexation or exclusion.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.108. EMINENT DOMAIN. The district may not exercise the power of eminent domain.
Sec. 3813.109. PEACE OFFICERS. The district may not employ peace officers.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3813.151. SALES AND USE TAX; EXCISE TAX. (a) For purposes of this section:
(1) "Taxable items" includes all items subject to a sales and use tax that is imposed by Harris County.
(2) "Use," with respect to a taxable service, means the derivation in the district of a direct or indirect benefit from the service.
(b) The district may impose a sales and use tax if authorized by a majority vote at an election held for that purpose.
(c) If the district adopts a sales and use tax:
(1) the tax is imposed on the receipts from the sale at retail of taxable items in the district; and
(2) an excise tax is imposed on the use, storage, or other consumption in the district of taxable items purchased or rented from a retailer during the period in which the sales and use tax is effective in the district.
(d) The rate of the excise tax is the same as the rate of the sales tax portion of the tax applied to the sales price of the taxable items and is included in the sales tax.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.152. TAX ELECTION PROCEDURES. (a) The board may order an election to adopt, change the rate of, or abolish a sales and use tax. The election may be held at the same time and in conjunction with a directors' election.
(b) The election must be held on the next uniform election date that falls on or after the 45th day after the date the election order is adopted.
(c) Notice of the election shall be given and the election
shall be held in the manner prescribed for a bond election by Subchapter D, Chapter 49, Water Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.153. BALLOT WORDING. (a) In an election to adopt a sales and use tax, the ballot shall be prepared to permit voting for or against the proposition: "The adoption of a local sales and use tax in the Old Town Spring Improvement District at the rate of (proposed tax rate)."

(b) In an election to change the rate of the sales and use tax, the ballot shall be prepared to permit voting for or against the proposition: "The (increase or decrease, as applicable) in the rate of the local sales and use tax imposed in the Old Town Spring Improvement District from (tax rate on election date) percent to (proposed tax rate) percent."

(c) In an election to abolish the sales and use tax, the ballot shall be prepared to permit voting for or against the proposition: "The abolition of the local sales and use tax in the Old Town Spring Improvement District."

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.154. IMPOSITION, COMPUTATION, ADMINISTRATION, AND GOVERNANCE OF TAXES. (a) Chapter 323, Tax Code, to the extent not inconsistent with this chapter, governs the application, collection, and administration of the sales and use tax and the excise tax, except that Sections 323.401-323.406 and 323.505, Tax Code, do not apply. Subtitles A and B, Title 2, and Chapter 151, Tax Code, govern the administration and enforcement of the sales and use tax and the excise tax.

(b) Chapter 323, Tax Code, does not apply to the use and allocation of revenues under this chapter.

(c) In applying Chapter 323, Tax Code:

(1) a reference in that chapter to "the county" means the district; and

(2) a reference in that chapter to "the commissioners court" means the board.
Sec. 3813.155. TAX RATES. The district may impose the sales and use tax and the excise tax in increments of one-eighth of one percent, with a minimum tax of one-half percent and a maximum tax of one percent.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.156. ABOLITION OF TAX. The board by order and without an election may abolish the sales and use tax and the excise tax.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.157. USE OF TAXES. The district may use the proceeds from the sales and use tax and the excise tax only for the purposes for which the district was created.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.158. EFFECTIVE DATE OF TAX OR TAX CHANGE. The adoption of a tax rate or a change in the tax rate takes effect after the expiration of the first complete calendar quarter occurring after the date on which the comptroller receives a notice of the results of the election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.159. AD VALOREM TAX PROHIBITED. The district may not impose an ad valorem tax on property in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.160. FEES; CHARGES. The district may:
(1) establish and collect user fees, concession fees, admission fees, rental fees, or other similar fees or charges; and

(2) apply the proceeds from those fees or charges for the enjoyment, sale, rental, or other use of the district's facilities, services, or improvement projects.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.161. BORROWING MONEY. The district may borrow money for the corporate purposes of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.162. PAYMENT OF EXPENSES. The district may provide or secure the payment or repayment of any district expense, including:

(1) a district cost relating to an improvement project;

(2) a district contractual obligation or indebtedness, because of a lease, installment purchase contract, or other agreement; or

(3) a tax, user fee, concession fee, rental fee, or other revenue or resources of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.163. BONDS. (a) The board may issue bonds as provided by Subchapter J, Chapter 375, Local Government Code.

(b) In addition to the sources described in Subchapter J, Chapter 375, Local Government Code, bonds issued by the district may be secured and made payable, in whole or in part, by a pledge of any part of the net proceeds the district receives from a specified portion of not more than one-half of the district's maximum sales and use tax amount authorized under Section 3813.152.

(c) Sections 375.207 and 375.208, Local Government Code, do not apply to bonds issued under this section.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
SUBCHAPTER E. DISSOLUTION

Sec. 3813.201. DISSOLUTION BY BOARD ORDER. The board by order may dissolve the district at any time unless the district has outstanding indebtedness or contractual obligations.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.202. DISSOLUTION BY PETITION OF OWNERS. (a) The board by order shall dissolve the district if the board receives a written petition signed by 75 percent or more of the individuals who own real property in the district.

(b) After the date the district is dissolved, the district may not impose taxes.

(c) If on the date the district is dissolved the district has outstanding liabilities, the board shall, not later than the 30th day after the date of dissolution, adopt a resolution certifying each outstanding liability. Harris County shall assume the outstanding liabilities and shall collect the sales and use tax for the district for the remainder of the calendar year. Harris County may continue to collect the tax for an additional calendar year if the commissioners court of the county finds that the tax revenue is needed to retire the district liabilities that were assumed by the county.

(d) The district may continue to operate for a period not to exceed two months after performing its duties under Subsection (c). The district is continued in effect for the purpose of performing those duties.

(e) If the district is continued in effect under Subsection (d), the district is dissolved entirely on the first day of the month following the month in which the board certifies to the secretary of state that the district has fully performed its duties under Subsection (c).

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.203. ADMINISTRATION OF DISTRICT PROPERTY FOLLOWING DISSOLUTION. (a) After the date the board orders the dissolution of the district, the board shall transfer ownership of all district property to Harris County, except as provided by Subsection (b).
(b) If, on the date on which the board orders the dissolution, more than 50 percent of the district territory is in a municipality, the board shall transfer ownership of the district's property to the municipality.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3814. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 4
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3814.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Harris County Improvement District No. 4.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(b), eff. September 1, 2005.

Sec. 3814.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 4. The Harris County Improvement District No. 4 is a special district created under Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(c), eff. September 1, 2005.

Sec. 3814.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.
(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district.
(c) This chapter and the creation of the district may not be
interpreted to relieve Harris County or the City of Houston from providing the level of services provided, as of June 16, 2001, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

(d) By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(d), eff. September 1, 2005.

Sec. 3814.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Chapter 1376, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Chapter 1376, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.0055. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the municipality under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the
municipality under Chapter 312, Tax Code; or

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

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(e),
eff. September 1, 2005.

Sec. 3814.006. APPLICABILITY OF OTHER LAW. Except as otherwise
provided by this chapter, Chapter 375, Local Government Code, applies
to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter
shall be liberally construed in conformity with the findings and
purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

Sec. 3814.051. BOARD OF DIRECTORS. (a) The district is
governed by a board of:

(1) nine voting directors appointed under Section 3814.052;
and

(2) nonvoting directors as provided by Section 3814.053.

(b) If the board determines that it is in the best interest of
the district, the board by resolution may increase or decrease the
number of directors on the board except that the board may not
consist of fewer than seven or more than 15 directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(f), eff.
September 1, 2005.

Sec. 3814.052. APPOINTMENT OF VOTING DIRECTORS. (a) The mayor
and members of the governing body of the City of Houston shall
appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members and the mayor vote to appoint that person.

(b) Repealed by Acts 2005, 79th Leg., Ch. 728, Sec. 18.004(o), eff. September 1, 2005.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(o), eff. September 1, 2005.

Sec. 3814.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:
(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City of Houston;
(2) the chief of police of the City of Houston;
(3) the director of the engineering division of the Harris County department of public infrastructure;
(4) Harris County's general manager of the Metropolitan Transit Authority of Harris County, Texas;
(5) the president of each institution of higher learning located in the district; and
(6) the Houston district engineer for the Texas Department of Transportation.

(b) If an agency, department, or division described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed agency, department, or division as a nonvoting director. If an agency, department, or division described by Subsection (a) is abolished, the board may appoint a representative of another agency, department, or division that performs duties comparable to those performed by the abolished entity.

(c) A nonvoting director is not included for determining a board quorum.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(g), eff. September 1, 2005.
Sec. 3814.054.  TERMS.  The voting directors serve staggered terms of four years, with four directors' terms expiring June 1 of an odd-numbered year and five directors' terms expiring June 1 of the following odd-numbered year.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.056.  CONFLICTS OF INTEREST.  (a)  Except as provided by this section:

(1)  a director may participate in all board votes and decisions;  and

(2)  Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b)  Section 171.004, Local Government Code, does not apply to the district.  A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest.  Another affidavit is not required if the director's interest changes.

(c)  After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1)  a majority of the directors have a similar interest in the same entity;  or

(2)  all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d)  A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e)  For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3814.101.  ADDITIONAL POWERS OF DISTRICT.  The district may
exercise the powers given to:

(1) a corporation created under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter; and

(2) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(h), eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.43, eff. April 1, 2009.

Sec. 3814.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.
Sec. 3814.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Harris County or the City of Houston to provide law enforcement services in the district for a fee.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value of more than $25,000.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.106. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain approval from the City of Houston's governing body:
   (1) for the issuance of bonds for each improvement project;
   (2) of the plans and specifications of the improvement project financed by the bond; and
   (3) of the plans and specifications of an improvement project related to:
      (A) the use of land owned by the City of Houston;
      (B) an easement granted by the City of Houston; or
      (C) a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.107. ELECTRONIC TRANSMISSIONS. (a) The district may acquire, operate, or charge fees for the use of district conduits for:
(1) another person's:
(A) telecommunications network;
(B) fiber-optic cable; or
(C) electronic transmission line; or

(2) any other type of transmission line or supporting facility.

(b) The district may not require a person to use a district conduit.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Text of section as added by Acts 2005, 79th Leg., R.S., Ch. 684 (S.B. 224), Sec. 13

For text of section as added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(i), see other Sec. 3814.108.

Sec. 3814.108. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 13, eff. June 17, 2005.

Text of section as added by Acts 2005, 79th Leg., R.S., Ch. 728 (H.B. 2018), Sec. 18.004

For text of section as added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 13, see other Sec. 3814.108.

Sec. 3814.108. MEMBERSHIP IN CHARITABLE ORGANIZATION. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), 501(c)(4), or 501(c)(6), Internal Revenue Code of 1986 (26 U.S.C. Section 501), as amended; and

(2) performs a service or provides an activity that furthers a district purpose.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(i), eff. September 1, 2005.
Sec. 3814.109. ECONOMIC DEVELOPMENT PROGRAM. (a) The district may establish and provide for the administration of one or more programs, including programs to loan or grant public money or provide district personnel or services, to:

(1) promote state or local economic development; and
(2) stimulate business and commercial activity in the district.

(b) For purposes of this section, the district has all of the powers and authority of a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(j), eff. September 1, 2005.

**SUBCHAPTER D. FINANCIAL PROVISIONS**

Sec. 3814.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or an improvement project with assessments under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 owners of real property in the district, if more than 25 persons own real property in the district according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(k), eff. September 1, 2005.

Sec. 3814.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3814.153. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3814.158, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or
(2) provide a service.

(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceeding.

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

(d) The board may make a correction to or deletion from the assessment roll without notice and hearing required for an additional assessment if the correction or deletion does not increase the amount of a parcel of land.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
 Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(1), eff. September 1, 2005.

Sec. 3814.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code; or
(3) a person that provides to the public cable television or advanced services.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.156. OBLIGATIONS. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.157. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3814.158. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may:

(1) impose a maintenance tax; or
(2) issue a bond payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(m), eff. September 1, 2005.

Sec. 3814.159. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.004(n), eff. September 1, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3814.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.
(a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3815. GREATER SOUTHEAST MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3815.001. DEFINITIONS. In this subchapter:

(1) "Board" means the board of directors of the district.
(2) "District" means the Greater Southeast Management District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.002. GREATER SOUTHEAST MANAGEMENT DISTRICT. A special district known as the "Greater Southeast Management District" is a political subdivision of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of June 17, 2001, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will
benefit from the improvements and services to be provided by the
district under powers conferred by Sections 52 and 52-a, Article III,
and Section 59, Article XVI, Texas Constitution, and other powers
granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and
diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of
residents, employers, employees, visitors, and consumers in the
district, and of the public;
(2) provide money to preserve, maintain, and enhance the
economic health and vitality of the district as a community and
business center; and
(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and
developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic and aesthetic
beauty.

(e) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, and street art objects are parts of and necessary
components of a street and are considered to be a street or road
improvement.

(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many
private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.005. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 1, Chapter 1476, Acts
of the 77th Legislature, Regular Session, 2001, enacting former
Section 376.454, Local Government Code, as that territory may have
been modified under:

(1) Section 3815.105 or its predecessor statute, former
Section 376.479, Local Government Code, as added by Chapter 1476, Acts of the 77th Legislature, Regular Session, 2001;
  (2) Subchapter J, Chapter 49, Water Code; or
  (3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1476, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:
  (1) the district's organization, existence, and validity;
  (2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;
  (3) the district's right to impose and collect an assessment or tax; or
  (4) the legality or operation of the district or the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district, the board, and district employees.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3815.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 21 directors who serve staggered terms of four years, with 10 directors' terms expiring June 1 of an odd-numbered year and 11 directors' terms expiring June 1 of the following odd-numbered year.

(b) The board by resolution may increase or decrease the number
of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or
(2) decrease the number of directors to fewer than 9.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board who meet the qualifications prescribed by Subchapter D, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City of Houston;
(2) the chief of police of the City of Houston;
(3) the general manager of the Metropolitan Transit Authority of Harris County, Texas; and
(4) the president of each institution of higher learning located in the district.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint as a director a representative of another department of the City of Houston that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of a nonprofit corporation actively involved in activities in the southeast area of the city of Houston to serve as a nonvoting ex officio director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.054. CONFLICTS OF INTEREST. (a) Except as provided
by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3815.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the powers given to a corporation under Chapter 505, Local Government Code, and the power to own, operate, acquire, construct, lease, improve, and maintain projects; and

(3) the powers given to a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:
Sec. 3815.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.103. CONTRACTS; GRANTS; DONATIONS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; or

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.
(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from, or accept donations from, any person, including:

(1) the United States;
(2) this state or a state agency;
(3) any political subdivision of this state; or
(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

(e) The implementation of a project is a governmental function or service for purposes of Chapter 791, Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.104. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.105. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Houston under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 14, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS
Sec. 3815.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.154. AUTHORITY TO IMPOSE TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.155. MAINTENANCE TAX. (a) If authorized at an
election held in accordance with Section 3815.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or
(2) provide a service.

(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceeding.

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

(d) The board may correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS. (a) The district may not impose a tax, impact fee, or assessment on a residential property or condominium.
The district may not impose an impact fee or assessment on the property, equipment, or facilities of a person who provides to the public cable television, gas, light, power, telephone, sewage, or water service.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of a district improvement project related to:

(A) the use of land owned by the City of Houston;

(B) an easement granted by the City of Houston; or

(C) a right-of-way of a street, road, or highway.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3815.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the
manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or
(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3815.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**CHAPTER 3816. FRISCO SQUARE MANAGEMENT DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3816.001. DEFINITIONS. In this subchapter:

(1) "Board" means the board of directors of the district.
(2) "District" means the Frisco Square Management District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.002. FRISCO SQUARE MANAGEMENT DISTRICT. The Frisco Square Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Collin County, the City of
Frisco, and other political subdivisions to contract with the
district, the legislature has established a program to accomplish the
public purposes set out in Section 52-a, Article III, Texas
Constitution.

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

(c) This chapter and the creation of the district may not be
interpreted to relieve Collin County or the City of Frisco from
providing the level of services provided as of September 1, 2001, to
the area in the district or to release the county or city from the
obligations of each entity to provide services to that area. The
district is created to supplement and not to supplant the city
services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.

(b) All land and other property included in the district will
benefit from the improvements and services to be provided by the
district under powers conferred by Sections 52 and 52-a, Article III,
and Section 59, Article XVI, Texas Constitution, and other powers
granted under this chapter.

(c) The creation of the district is in the public interest and
is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) Each improvement project or service authorized by this
chapter is essential to carry out a public purpose and will benefit:

(1) all land and property in the district;

(2) the employees, employers, and consumers of the
district; and

(3) the public.

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

(2) provide needed funding for the City of Frisco's central business area extension to the west to:
   (A) preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and
   (B) provide a government center for the city;

(3) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public by providing, maintaining, and operating:
   (A) attractive, safe, and convenient street and road improvements;
   (B) off-street parking facilities; and
   (C) necessary water, sewer, and drainage facilities to serve the area within the district; and

(4) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways, parks, and off-street parking and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

(f) Pedestrian ways along or across a street, at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1384, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, as that territory may have been modified under:

(1) Section 3816.107 or its predecessor statute, former Section 376.466, Local Government Code, as added by Chapter 1384, Acts of the 77th Legislature, Regular Session, 2001;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1384, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond or other obligation for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.006. ELIGIBILITY FOR REINVESTMENT OR ENTERPRISE ZONES. (a) All or any part of the area of the district is eligible, regardless of other statutory criteria, to be included in:

(1) a tax increment reinvestment zone created by the City of Frisco under Chapter 311, Tax Code; or
(2) a tax abatement reinvestment zone created by the City of Frisco under Chapter 312, Tax Code.

(b) All or any part of the area of the district is eligible to be nominated for inclusion in an enterprise zone by the City of Frisco under Chapter 2303, Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district, the board, and district employees.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.009. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and
purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3816.051. BOARD OF DIRECTORS. The district is governed by a board of five directors appointed under Section 3816.052 and three directors serving ex officio under Section 3816.053.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.052. APPOINTED DIRECTORS. (a) The governing body of the City of Frisco shall appoint directors who meet the qualifications of Subchapter D, Chapter 375, Local Government Code. (b) The appointed directors serve staggered terms of four years, with two directors' terms expiring July 1 of an odd-numbered year and three directors' terms expiring July 1 of the following odd-numbered year. (c) Notwithstanding the common law doctrine of incompatibility, members of the governing body of the City of Frisco may be appointed to the board. The term of a director who is also a member of the governing body of the City of Frisco expires when the member's term on the governing body expires. The person may be reappointed to the board to complete the unexpired term on the board. (d) A person may not be appointed to the board if the appointment of that person would result in fewer than three of the directors residing in the City of Frisco. (e) The governing body of the City of Frisco shall appoint a director to fill a vacancy that occurs on the board. (f) District directors are public officials entitled to governmental immunity for their official actions.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors: (1) the manager of the City of Frisco; (2) the financial director of the City of Frisco; and
(3) the planning director of the City of Frisco.

(b) If an office described by Subsection (a) is renamed, changed, or abolished, the governing body of the City of Frisco may appoint another city officer or employee who performs duties comparable to those performed by the officer described by Subsection (a).

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.054. CONFLICTS OF INTEREST. (a) Except as provided by Section 3816.053 or this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of board members.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity;

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit; or

(3) the director is a property owner in the district.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3816.101. DISTRICT POWERS. (a) The district has all powers necessary to accomplish the purposes for which the district was created.

(b) The district may exercise the powers given to:
  (1) a corporation created under Chapter 505, Local Government Code; or
  (2) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
  Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.45, eff. April 1, 2009.

Sec. 3816.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
  (1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
  (2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.103. AGREEMENTS; GRANTS; DONATIONS. (a) The district may enter into an agreement with or accept a donation, grant, or loan from any person.

(b) A municipality, county, or other political subdivision of this state, without further authorization, may contract with the district for:
(1) the acquisition, construction, improvement, implementation, maintenance, and operation of a district project; or
(2) the provision of a service authorized under this chapter.

(c) A contract under Subsection (b) may:
(1) be for a period and include terms on which the parties agree;
(2) be payable from taxes or any other source of revenue that may be available for that purpose; and
(3) provide terms under which taxes or other revenues collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(d) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with the City of Frisco for the city to provide law enforcement services in the district for a fee.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.106. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Frisco's governing body:
(1) for the issuance of a bond for each improvement project;
(2) of the plans and specifications of an improvement project financed by the bond; and
(3) of the plans and specifications of a district improvement project related to the use of land owned by the City of Frisco, an easement granted by the City of Frisco, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Frisco's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without the further approval of the city.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.107. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Frisco under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3816.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Collin County; or

(2) at least 25 owners of land in the district, if more than 25 persons own property in the district according to the most recent certified property tax appraisal roll for Collin County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the
district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.153. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, on all property in the district, including industrial, commercial, or residential property, and may impose an assessment on municipal property in the district to:

(1) finance or provide an improvement or service for a project or activity this chapter authorizes the district to construct, acquire, or improve; or

(2) provide or to make a payment under a contract.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.154. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3816.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.155. CONTRACTS SECURED BY AD VALOREM TAXES. A contract for which the payments are secured wholly or partly by ad valorem taxes may not be executed unless the imposition of the ad valorem taxes to secure the payment of the contract is approved by a majority, or a larger percentage if constitutionally required, of the voters in the district voting at an election held for that purpose.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3816.156. ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(b) The district may impose an assessment against any property of the City of Frisco in the district. Payment of an assessment by another exempt jurisdiction must be established by contract.

(c) The board may apportion the cost of an improvement project or service to be assessed against property in the district on all property in the district according to a finding of the board that the improvement project or service benefits all property in the district.

(d) The board may include two or more types of improvements and services in one assessment proceeding. The board may conduct separate assessment proceedings as the district undertakes improvement projects or the provision of services.

(e) The board may adjust annual assessments for services in accordance with an annual budget the board adopts for the provision of those services. An annual adjustment may not exceed the annual amount set forth in the original assessment proceedings except after public notice and hearing on the increase.

(f) The board, after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code, may:

(1) correct, add to, or delete assessments from its assessment rolls; and

(2) collect assessments after making the corrections, additions, or deletions.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.157. LIENS FOR ASSESSMENTS. (a) An assessment, including an assessment resulting from an addition to or correction of the assessment roll by the district, a reassessment, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

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

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

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

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

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.158. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS AND IMPACT FEES. The district may not impose an assessment or impact fee on the property of a person that provides gas, electricity, telephone, sewage, or water service to the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or
(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may include more than one purpose in a single proposition at an election.

(c) If the district obtains the written consent of all property owners in the district to impose a maintenance tax or issue bonds payable from ad valorem taxes or assessments, the district is exempt from the election requirement under Subsection (a) and may cancel an election called under Subsection (a).

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3816.160. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.
SUBCHAPTER E. DISSOLUTION

Sec. 3816.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.
(a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.
(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3817.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County from providing the level of services provided as of June 17, 2001, to the area in the district or to release the county from the obligations of the county to provide services to that area. The district is created to supplement and not to supplant the county services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and
developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, and street art objects are parts of and necessary
components of a street and are considered to be a street or road
improvement.

(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many
private interests as well as the public.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.005. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 1, Chapter 1433, Acts
of the 77th Legislature, Regular Session, 2001, enacting former
Section 376.454, Local Government Code, as that territory may have
been modified under:

(1) Section 3817.106 or its predecessor statute, former
Section 376.476, Local Government Code, as added by Section 1,
Chapter 1433, Acts of the 77th Legislature, Regular Session, 2001;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which
the district is created or to pay the principal of and interest on
the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 1260 (S.B. 900), Sec. 4, eff.
June 17, 2011.
Sec. 3817.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3817.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of nine directors who serve staggered terms of four years with four or five directors' terms expiring June 1 of each odd-numbered year.

(b) One director must be a resident of the district.

(c) The board by resolution may change the number of directors on the board, but only if the board determines that the change is in the best interest of the district, subject to Section 375.061, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.052. APPOINTMENT AND REMOVAL OF DIRECTORS. Sections 375.064 and 375.065, Local Government Code, govern the appointment and removal of directors, except that the commissioners court of Harris County shall appoint the directors of the board. The commissioners court shall appoint:

(1) two directors to be chosen by the commissioners court with terms beginning on June 1, 2005, or the effective date of this Act; and

(2) the remaining directors from a list of persons nominated by the board, subject to review, and the commissioners court shall approve or disapprove the directors recommended by the board.
Sec. 3817.053. QUORUM. (a) Section 375.071, Local Government Code, does not apply to the district.
(b) One-half of the board constitutes a quorum.
(c) Except as provided by Section 3817.152, a concurrence of a majority of a quorum is required for any official district action.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3817.101. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a corporation created under Chapter 505, Local Government Code.

Sec. 3817.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.
(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.
(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.
Sec. 3817.103. CONTRACT WITH POLITICAL SUBDIVISION. Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this section may:

(1) be for a period on which the parties agree;
(2) include terms on which the parties agree;
(3) be payable from taxes or any other source of revenue that may be available for that project or service; and
(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.105. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), by either official action of the governing body of the city with respect to Subdivision (1) or through the issuance of a permit with respect to Subdivisions (2) and (3), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project;
(2) of the plans and specifications of the improvement project financed by the bond; and
(3) of the plans and specifications of any district
improvement project related to the use of land owned by Harris County, an easement granted by Harris County, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 1174 (H.B. 3550), Sec. 7, eff. June 18, 2005.

Sec. 3817.106. ANNEXATION OF CERTAIN TERRITORY BY GOVERNING BODY OF MUNICIPALITY. (a) If territory in the City of Houston's limit or extraterritorial jurisdiction is included in the district, the city's governing body may remove that territory from the district if the district does not have any bonded indebtedness.

(b) To remove the territory, the governing body of the City of Houston must notify the board secretary in writing that the territory is excluded from the district's territory.

(c) If a municipality annexes territory that is in its extraterritorial jurisdiction and included in the district, the governing body of the municipality shall notify the board secretary in writing that the annexed territory is excluded from the district's territory.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 15, eff. June 17, 2005.

**SUBCHAPTER D. FINANCIAL PROVISIONS**

Sec. 3817.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board
by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.152. BOARD VOTE REQUIRED TO AUTHORIZE TAXES, ASSESSMENTS, IMPACT FEES, OR BONDS. (a) A majority vote of the directors serving is required to authorize the imposition of a tax, assessment, or impact fee.

(b) The written consent of at least two-thirds of the full membership of the board is required to authorize the issuance of a bond.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.153. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3817.157, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.154. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of the
tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

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

(e) The board may establish one or more areas in the district as a special sales and use tax zone if the board finds that a reasonable distinction exists that justifies a special sales and use tax rate in the area. The special sales and use tax rate may be different than the sales and use tax rate imposed in the rest of the district if the special sales and use tax rate is approved by a majority of the voters of the special sales and use tax zone at an election held for that purpose. Subsections (b)-(d) apply to a special sales and use tax imposed under this subsection in the same manner as the sales and use tax imposed under Subsection (a).

(f) There are exempted from a special sales and use tax imposed by the district under Subsection (e) the sale, production, distribution, lease, or rental of, and the use, storage, or other consumption within a special sales and use tax zone of, a taxable item sold, leased, or rented by:

(1) a retail electric provider as defined by Section 31.002, Utilities Code;
(2) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(3) a gas utility as defined by Section 101.003 or 121.001, Utilities Code, or a person who owns pipelines used for the transportation or sale of oil or gas or a product or constituent of oil or gas;
(4) a person who owns pipelines used for the transportation or sale of carbon dioxide;
(5) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(6) a cable service provider or video service provider as
defined by Section 66.002, Utilities Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
   Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.005(a), eff. September 1, 2005.
   Acts 2011, 82nd Leg., R.S., Ch. 1260 (S.B. 900), Sec. 5, eff. June 17, 2011.

Sec. 3817.1545. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.
   (b) The petition must be signed by:
      (1) the owners of 50 percent or more of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or
      (2) the owners of 50 percent or more of the surface area of real property in the district subject to assessment.
   (c) Section 375.114, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 1174 (H.B. 3550), Sec. 5, eff. June 18, 2005.

Sec. 3817.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.
   (b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:
      (1) are a first and prior lien against the property assessed;
      (2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

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

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.156. PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. (a) In this section:

(1) "Electric utility" and "power generation company" have the meanings assigned by Section 31.002, Utilities Code.

(2) "Gas utility" has the meaning assigned by Sections 101.003 and 121.001, Utilities Code.

(3) "Telecommunications provider" has the meaning assigned by Section 51.002, Utilities Code.

(b) The district may not impose an impact fee or assessment under Chapter 375, Local Government Code, on a residential property, including a multiunit residential property, or a condominium.

(c) The district may not impose an impact fee or assessment on the property of an electric utility, gas utility, power generation company, or telecommunications provider.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.157. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may include more than one purpose in a single proposition at an election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 3817.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3817.159. POWERS OF MUNICIPAL UTILITY DISTRICT; DEFINED AREA; TAXES; BONDS. The district may not exercise the powers of eminent domain but shall have all the powers of a municipal utility district under Subchapter J, Chapter 54, Water Code, including:

(1) the implementation of a plan adopted under that subchapter;
(2) the issuance of bonds; and
(3) the imposition of a tax in the defined area established under that subchapter.

Added by Acts 2005, 79th Leg., Ch. 1174 (H.B. 3550), Sec. 6, eff. June 18, 2005.

Sec. 3817.160. TAX INCREMENT ZONE POWERS. Upon the consent of the governing body of the City of Houston, the district may be included and participate in a reinvestment zone under Chapter 311, Tax Code.

Added by Acts 2005, 79th Leg., Ch. 1174 (H.B. 3550), Sec. 6, eff. June 18, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3817.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 3818. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3818.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "District" means the Harris County Improvement District No. 1.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1. A special district known as the "Harris County Improvement District No. 1" is a political subdivision of this state created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 1, eff. June 19, 2009.

Sec. 3818.003. PURPOSE; DECLARATION OF INTENT. The creation of the district is essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes as provided by this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit. Each
improvement project or service authorized by this chapter carries out a public purpose.

(b) All land and other property included in the district will benefit from the works and projects that are to be accomplished by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution, Vernon's Texas Civil Statutes, and other powers granted under this chapter.

(c) The creation of the district is essential to:
   (1) the economic diversification of the state;
   (2) the elimination of unemployment and underemployment; and
   (3) the stimulation of transportation and commerce.

(d) The creation of the district is in the public interest and will promote the health, safety, and general welfare of its residents and the public.

(e) The present and prospective traffic congestion in the district, the safety of pedestrians, and the limited availability of funds require the promotion and development of public transportation and pedestrian facilities and systems by new and alternative means. The district will serve the public purpose of securing expanded and improved transportation and pedestrian facilities and systems.

(f) The district will promote the health, safety, welfare, morals, convenience, and enjoyment of the public by landscaping and developing certain areas in the district that are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, as that territory may have been modified under:

(1) Section 3818.106, or its predecessor, Section 13, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district contained in Section 3, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) the right of the district to impose an assessment or a tax; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformance with the legislative findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3818.051. COMPOSITION; TERMS. (a) The district is governed by a board of 12 directors.

(b) The commission appoints the directors to positions numbered 1 through 12.
(c) Directors serve staggered four-year terms.
(d) The commission shall appoint directors from persons recommended by the board.
(e) The board by resolution may change the number of directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 9 or more than 15 directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 2, eff. June 19, 2009.

Sec. 3818.052. QUALIFICATIONS FOR OFFICE. (a) A director must meet the requirements provided by Section 375.063, Local Government Code.
(b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 889, Sec. 11(1), eff. June 19, 2009.
(c) A person who owns a partnership interest, whether general or limited, or who has a lease with a remaining term of 30 years or more, excluding options, is considered to be an owner of land for purposes of this chapter.
(d) A person who qualifies to serve on the board is qualified to serve as a director and participate in all votes pertaining to the business of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 3, eff. June 19, 2009.
Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 11(1), eff. June 19, 2009.

Sec. 3818.054. VACANCY. The board by appointment shall fill a vacancy on the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
Sec. 3818.055. REMOVAL OF DIRECTOR. The commission may remove a director for misconduct or failure to carry out the director's duties after a petition by a majority of the other directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3818.101. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.102. AGREEMENTS; GRANTS. (a) The district may make a contract, lease, or other agreement with, or accept a grant or loan from, any person to carry out a purpose of this chapter on the terms and conditions and for the period of time determined by the board.

(b) A person may contract with the district to carry out the purposes of this chapter.
Sec. 3818.103. USE OF CONDUITS. (a) The district may:
(1) finance, acquire, construct, improve, operate, maintain, or charge a fee for the use of its own conduits for fiber-optic cable, electronic transmission lines, or other types of transmission lines and supporting facilities; or
(2) finance, acquire, construct, improve, operate, or maintain conference centers and supporting facilities.
(b) This section does not authorize the district to require a person to use a conduit authorized by this section.

Sec. 3818.104. REGULATION OF SIGNS. The board by rule may regulate signs in the district. The board may require the removal of a sign that does not conform to a rule adopted under this section.

Sec. 3818.105. EXCLUSION OF TERRITORY; HEARING. (a) At any time, the board may on its own motion call a hearing on the question of the exclusion of land from the district as provided by Chapter 49, Water Code, if the exclusion is practicable, just, or desirable.
(b) The board shall call a hearing on the exclusion of land or other property from the district if, before the issuance of bonds has been authorized, a property owner in the district files a written petition with the secretary of the board.

Sec. 3818.106. ANNEXATION. (a) Subject to the approval of the governing body of the City of Houston the district may:
(1) annex territory in accordance with Subchapter J, Chapter 49, Water Code; or
(2) annex territory located inside the boundaries of a reinvestment zone created under Chapter 311, Tax Code, as those boundaries existed on September 1, 2001.

(b) The district may annex territory described by Subsection (a)(2) only if:
(1) the district holds a public hearing on the proposed annexation and publishes notice in the district not later than the 15th day before the date of the hearing; and
(2) a majority of the qualified voters of the territory that the district proposes to annex voting at an election held within that territory approve:
   (A) the annexation;
   (B) the assumption of the bonds, notes, obligations, taxes, and special assessments created before the annexation of the area to the district; and
   (C) the assumption of the bonds of the district payable wholly or partly from taxes or special assessments that have been voted previously but not yet issued or sold and the imposition of an ad valorem tax or special assessment on all taxable property within the annexed area for the payment of the bonds.

(c) If the voters approve each proposition under Subsection (b)(2), the board may adopt an order adding the annexed territory to the district.

(d) An election under Subsection (b) must be held and notice must be given in the territory that the district proposes to annex in the same manner as provided for a bond election held by the district. The district may hold an election to annex territory on the same day as another district election.

(e) The board may:
(1) call an election to annex territory by a separate election order or as a part of another election order;
(2) submit multiple purposes in a single proposition at an election; or
(3) order multiple elections to annex the same territory.

(f) The district may annex defined areas of land, regardless of whether the areas are contiguous to the district.

(g) An annexed area shall bear that area's pro rata share of all bonds, notes, or other obligations, taxes, or special assessments
that may be owed, contracted for, or authorized by the district.

(h) The election, notice, and hearing requirements imposed by Subsections (b)-(g) do not apply to an annexation under Subsection (a)(1).

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.107. DATE OF ELECTIONS. An election held in the district is not required to be held on a uniform election date provided by Section 41.001, Election Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.108. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. The district must obtain approval from the governing body of the City of Houston and the department of planning of the City of Houston of the plans and specifications of any improvement project that involves the use of a right-of-way of a street, road, or highway or the use of municipal land.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.110. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified party, including Harris County, the City of Houston, or any licensed peace officer, for the provision of law enforcement services in the district for a fee.
Sec. 3818.111. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 3818.112. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
   (1) make loans and grants of public money; and
   (2) provide district personnel and services.
(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES
Sec. 3818.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.
   (b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 889, Sec. 11(3), eff. June 19, 2009.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 5, eff. June 19, 2009.
Sec. 3818.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and
(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district must be leased to or operated for the district by an entity other than the district.

(c) The district's parking facilities serve a public purpose under Section 3818.003 and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(d) The district's public parking facilities and any lease to a private entity are exempt from the payment of ad valorem taxes and state and local sales and use taxes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.153. RULES FOR TRANSIT OR PARKING SYSTEM. (a) The district may adopt rules covering its public transit system and its public parking system.

(b) Rules adopted under this section that relate to or affect the use of the public right-of-way or a requirement for off-street parking are subject to all applicable municipal charter, code, and ordinance requirements.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.154. PAYING COST OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring or operating a public transit system or a system of public parking facilities.

(b) The district may:

(1) set, charge, impose, and collect fees, charges, or
tolls for the use of the public transit system or the public parking facilities; and

(2) issue bonds or notes to finance the cost of these facilities.

(c) If the district pays for or finances the cost of acquiring and operating a public transit system or a system of public parking facilities with resources other than assessments, a petition of property owners or public hearing is not required, just as a petition of property owners and public hearing on the petition are not required for the provision of all other district services and improvements that are not paid for or financed with assessments. Notwithstanding this subsection, a petition is required as provided by Section 3818.151 before the district may construct transit improvements.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.155. PAYMENT INSTEAD OF TAXES TO OTHER TAXING UNITS. If the district's acquisition of property for a parking facility that is leased to or operated by a private entity results in removing from a taxing unit's tax rolls real property otherwise subject to ad valorem taxation, the district shall pay to the taxing unit in which the property is located, on or before January 1 of each year, as a payment instead of taxes, an amount equal to the ad valorem taxes that otherwise would have been imposed for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the property.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 3818.201. NOTICE AND HEARING REQUIRED. The board may finance a service or improvement project under this chapter with assessments after:

(1) notice of a hearing has been given as required by Section 3818.202; and

(2) the board holds a public hearing on the advisability of
the service or improvement and the proposed assessments.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 6, eff. June 19, 2009.

Sec. 3818.202. NOTICE OF HEARING. (a) Except as provided by this section, notice of a hearing on financing improvement projects or services shall be given as provided by Section 375.115, Local Government Code.

(b) The final publication must be made:
(1) not later than the 15th day before the date of the hearing; and
(2) in a newspaper of general circulation in each county in which the district is located.

(c) Written notice required by Section 375.115(c), Local Government Code, must be made not later than the 15th day before the date of the hearing.

(d) The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 7, eff. June 19, 2009.

Sec. 3818.203. HEARING PROCEDURE. (a) The board may appoint a director, a district employee, or any other person as hearings examiner to conduct hearings required by the board.

(b) A hearing under this subchapter shall be conducted in the manner provided for contested cases under Chapter 2001, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3818.204. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENT PROJECTS. (a) The board may not finance a service or improvement project under this chapter with assessments unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of 50 percent of the assessed value of the property in the district subject to assessment based on the most recent certified county tax appraisal roll; or

(2) the owners of 50 percent or more of the surface area of the district subject to assessment, excluding roads, streets, highways, and utility rights-of-way, based on the most recent certified county tax appraisal roll.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 8, eff. June 19, 2009.

Sec. 3818.205. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. (a) The district may impose an ad valorem tax, assessment, or impact fee in accordance with Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter.

(b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 889, Sec. 11(4), eff. June 19, 2009.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 9, eff. June 19, 2009.
Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 11(4), eff. June 19, 2009.
Sec. 3818.206. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS AND IMPACT FEES. The district may not impose an assessment or impact fee on the property, including the equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable system as defined by Section 602, Communications Act of 1934 (47 U.S.C. Section 522), as amended.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.207. BONDS; APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of the director of public works of the City of Houston for the issuance of bonds for any improvement project.

(b) If the district obtains approval from the governing body of the City of Houston of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.209. ASSESSMENTS AND BOND LIMIT. The board may not issue bonds or impose assessments that exceed 10 percent of the assessed value of the property in the district based on the most recent certified county tax appraisal roll.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.210. APPEAL OF ASSESSMENT. A property owner may
appeal the board's decision on an assessment to a district court that has jurisdiction in the district by filing notice of the appeal with the court not later than the 30th day after the date of the board's final decision.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.211. PAYMENT BY EXEMPT JURISDICTIONS. Payment of assessments by exempt jurisdictions, if any, shall be established by contract.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.212. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 10, eff. June 19, 2009.

Sec. 3818.213. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 10, eff. June 19, 2009.

Sec. 3818.214. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3818.217, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 10, eff. June 19, 2009.

Sec. 3818.215. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS.
(a) The district may borrow money on terms and conditions as determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue by competitive bid or negotiated sale bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 10, eff. June 19, 2009.

Sec. 3818.216. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to the rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 10, eff. June 19, 2009.
Sec. 3818.217. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or part of any facilities or improvements that the district may acquire by the issuance of district bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 10, eff. June 19, 2009.

Sec. 3818.218. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 10, eff. June 19, 2009.

Sec. 3818.219. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 10, eff. June 19, 2009.

SUBCHAPTER F. DISSOLUTION

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 304, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 3818.251. APPLICABILITY OF OTHER LAW; EXCEPTION. Subchapter M, Chapter 375, Local Government Code, applies to the district except that in determining the percentage of surface area
under Section 375.262(2), Local Government Code, other public areas and other property exempt from assessment under Sections 375.161, 375.163, and 375.164 are not excluded.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

CHAPTER 3819. BAYBROOK MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3819.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Baybrook Management District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.002. BAYBROOK MANAGEMENT DISTRICT. The Baybrook Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be
interpreted to relieve Harris County or the City of Houston from providing the level of services provided, as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 784, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 784, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the City of Houston under Chapter 312, Tax Code; or
(3) an enterprise zone created by the City of Houston under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3819.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3819.051. COMPOSITION; TERMS. (a) Except as provided by Subsection (c), the district is governed by a board of five voting directors appointed under Section 3819.052 and five nonvoting directors as provided by Section 3819.053.

(b) Voting directors serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may increase or decrease the number of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the directors and the mayor vote to appoint that person.
Sec. 3819.053. NONVOTING DIRECTORS. (a) The following persons shall serve as nonvoting directors:

1. the directors of the following departments of the City of Houston or a person designated by that director:
   A. parks and recreation;
   B. planning and development;
   C. public works; and
   D. civic center; and
2. the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

(c) Nonvoting directors are not counted for the purposes of establishing a quorum of the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

1. a director may participate in all board votes and decisions; and
2. Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on
that action if:

(1) a majority of the directors have a similar interest in the same entity; or
(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3819.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that chapter;

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and

(3) a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.47, eff. April 1, 2009.

Sec. 3819.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Harris County or the City of Houston to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3819.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. (a) The district may join and pay dues to an organization that:

1. enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended; and
2. performs a service or provides an activity consistent with the furtherance of a district purpose.

(b) An expenditure of public money for membership in the organization is considered to further a district purpose and to be for a public purpose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.107. ECONOMIC DEVELOPMENT PROGRAMS. The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

1. make loans and grants of public money; and
2. provide district personnel and services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.108. MUNICIPAL APPROVAL. (a) Except as provided by Subsection (b), the district must obtain approval from the governing body of the City of Houston for:

1. the issuance of bonds for an improvement project;
2. the plans and specifications of an improvement project financed by the bonds; and
3. the plans and specifications of a district improvement project related to:
   A. the use of land owned by the City of Houston;
   B. an easement granted by the City of Houston; or
   C. a right-of-way of a street, road, or highway.

(b) If the district obtains approval from the governing body of the City of Houston for a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further
approval from the City of Houston.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3819.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3819.152, the district may impose an annual ad valorem tax on taxable property in the district for the:

(1) maintenance and operation of the district and the improvements constructed or acquired by the district; or

(2) provision of a service.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3819.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

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

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or
(2) at least 25 owners of real property in the district, if more than 25 persons own real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT
OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3819.159. TAX AND ASSESSMENT ABATEMENTS. Without further authorization or other procedural requirement, the district may grant, consistent with Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER E. DISSOLUTION

Sec. 3819.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

CHAPTER 3820. BUFFALO BAYOU MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3820.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "District" means the Buffalo Bayou Management District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
SEC. 3820.002.  BUFFALO BAYOU MANAGEMENT DISTRICT.  The Buffalo Bayou Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SEC. 3820.003.  PURPOSE; DECLARATION OF INTENT.  (a)  The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SEC. 3820.004.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and
is essential to:

(1) further the public purposes of development and diversification of the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 997, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 997, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:
Sec. 3820.005. POWERS OF THE DISTRICT. The district has the power and
right to:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the
district is created or to pay the principal of and interest on a
bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3820.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All
or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City
of Houston under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the City
of Houston under Chapter 312, Tax Code; or
(3) an enterprise zone created by the City of Houston under
Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3820.007. APPLICABILITY OF OTHER LAW. Except as otherwise
provided by this chapter, Chapter 375, Local Government Code, applies
to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3820.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter
shall be construed liberally in conformity with the findings and
purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3820.051. COMPOSITION; TERMS. (a) Except as provided by Subsection (c), the district is governed by a board of 31 voting directors appointed under Section 3820.052 and nonvoting directors as provided by Section 3820.053.

(b) Voting directors serve staggered terms of four years, with 15 or 16 directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may decrease the number of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than five directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint voting directors. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.053. NONVOTING DIRECTORS. (a) The following persons shall serve as nonvoting directors:

1. the directors of the following departments of the City of Houston or a person designated by that director:
   A) parks and recreation;
   B) planning and development;
   C) public works; and
   D) civic center; and

2. the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.
(c) Nonvoting directors are not counted for the purposes of establishing a quorum of the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:
(1) a voting director may participate in all board votes and decisions; and
(2) Chapter 171, Local Government Code, governs conflicts of interest for voting directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:
(1) a majority of the directors have a similar interest in the same entity; or
(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 3820.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:
(1) a corporation under Chapter 505, Local Government Code,
including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that chapter;

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and

(3) a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.48, eff. April 1, 2009.

Sec. 3820.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
Sec. 3820.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Harris County or the City of Houston to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $15,000.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

1. enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended; and
2. performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.107. ECONOMIC DEVELOPMENT PROGRAMS. The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

1. make loans and grants of public money; and
2. provide district personnel and services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3820.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not submit multiple purposes in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3820.152, the district may impose an annual ad valorem tax on taxable property in the district for the:

(1) maintenance and operation of the district and the improvements constructed or acquired by the district; or
(2) provision of a service.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose
authorized by this chapter.

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

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3820.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3820.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the City of Houston is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3820.159. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER E. DISSOLUTION

Sec. 3820.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

CHAPTER 3821. DOWNTOWN MIDLAND MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3821.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Downtown Midland Management District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.002. DOWNTOWN MIDLAND MANAGEMENT DISTRICT. The Downtown Midland Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3821.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Midland, Midland County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Midland County or the City of Midland from providing the level of services provided, as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1160, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Section 3821.108 or its predecessor statute, former Section 27, Chapter 1160, Acts of the 78th Legislature, Regular Session, 2003;

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

(3) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 1160, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Midland under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the City of Midland under Chapter 312, Tax Code; or
(3) an enterprise zone created by the City of Midland under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3821.051. COMPOSITION; TERMS. (a) Except as provided by Subsection (c), the district is governed by a board of nine voting directors appointed under Section 3821.052 and nonvoting directors as
provided by Section 3821.053.

(b) Voting directors serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may increase or decrease the number of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than 7 or more than 13 directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.052. APPOINTMENT OF DIRECTORS. The board shall nominate a slate of persons to serve on the succeeding board as voting directors. The members of the governing body of the City of Midland shall appoint as voting directors the slate of persons nominated by the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the following departments of the City of Midland or a person designated by that director:
   (A) parks and recreation;
   (B) planning and zoning; and
   (C) public works; and

(2) the city manager of the City of Midland or a person designated by the city manager.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

(c) Nonvoting directors are not counted for the purposes of establishing a quorum of the board.
Sec. 3821.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.49, eff. April 1, 2009.

Sec. 3821.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.
(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.
(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.
(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.104. LAW ENFORCEMENT SERVICES. To protect the public
interest, the district may contract with Midland County or the City of Midland to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $50,000.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:
(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended; and
(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
(1) make loans and grants of public money; and
(2) provide district personnel and services.
(b) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3821.108. ANNEXATION. The district may annex territory located inside the boundaries of a reinvestment zone created by the City of Midland under Chapter 311, Tax Code, if the governing body of the City of Midland consents to the annexation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3821.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3821.152, the district may impose an annual ad valorem tax on taxable property in the district for the:

(1) maintenance and operation of the district and the improvements constructed or acquired by the district; or

(2) provision of a service.

(b) The board shall determine the tax rate.
Sec. 3821.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b) The board may not impose an assessment on a parcel of real property that at the time of the assessment is appraised at less than $200,000, according to the most recent certified tax appraisal roll for Midland County, without the written consent of the owner of the parcel.

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

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or
improvement project with assessments under this chapter unless a written petition requesting that improvement or service has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Midland County; or

(2) at least 25 owners of real property in the district, if more than 25 persons own real property in the district according to the most recent certified tax appraisal roll for Midland County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code;

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended; or

(5) a person who provides to the public advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note,
certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the City of Midland is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3821.159. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER E. DISSOLUTION

Sec. 3821.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3822.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Fall Creek Management District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.002. FALL CREEK MANAGEMENT DISTRICT. The Fall Creek Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided, as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3822.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1254, Acts of the 78th Legislature, Regular Session, 2003, as that territory may
have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 1254, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the City of Houston under Chapter 312, Tax Code; or
(3) an enterprise zone created by the City of Houston under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3822.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3822.051. COMPOSITION; TERMS. (a) The district is governed by a board of five directors appointed under Section 3822.052.

(b) Directors serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may increase or decrease the number of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board. A person is appointed if a majority of the directors and the mayor vote to appoint that person.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.053. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit
from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

1. a majority of the directors have a similar interest in the same entity; or
2. all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3822.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

1. a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that chapter;
2. a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and
3. a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.50, eff. April 1, 2009.

Sec. 3822.102. NONPROFIT CORPORATION. (a) The board by
resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Harris County or the City of Houston to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000.
Sec. 3822.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended, and may perform services or provide activities consistent with the furtherance of the purposes of the district. An expenditure of public money for membership in the organization is considered to further the purposes of the district and to be for a public purpose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.107. ECONOMIC DEVELOPMENT PROGRAMS. The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.108. MUNICIPAL APPROVAL. (a) Except as provided by Subsection (b), the district must obtain approval from the governing body of the City of Houston for:

(1) the issuance of bonds for an improvement project;
(2) the plans and specifications of an improvement project financed by the bonds; and
(3) the plans and specifications of a district improvement project related to:

(A) the use of land owned by the City of Houston;
(B) an easement granted by the City of Houston; or
(C) a right-of-way of a street, road, or highway.

(b) If the district obtains approval from the governing body of
the City of Houston for a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**SUBCHAPTER D. FINANCIAL PROVISIONS**

Sec. 3822.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3822.152, the district may impose an annual ad valorem tax on taxable property in the district for the:

(1) maintenance and operation of the district and the improvements constructed or acquired by the district; or

(2) provision of a service.

(b) The board shall determine the tax rate.
Sec. 3822.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

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

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real
property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 owners of real property in the district, if more than 25 persons own real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3822.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3822.159. TAX AND ASSESSMENT ABATEMENTS. Without further authorization or other procedural requirement, the district may grant, consistent with Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3822.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**CHAPTER 3823. GREAT SOUTHWEST IMPROVEMENT DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3823.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Great Southwest Improvement District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3823.002. GREAT SOUTHWEST IMPROVEMENT DISTRICT. The Great Southwest Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.003. DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Tarrant County or the City of Arlington from providing the level of services provided as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1159, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 1159, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a
bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3823.051. COMPOSITION; TERMS. The district is governed by a board of nine directors who serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.052. QUALIFICATIONS. (a) To be qualified to serve as a director, a person must be at least 18 years old and:
(1) an owner of property subject to assessment by the district;
(2) an owner of a beneficial interest in a trust that owns property subject to assessment by the district; or
(3) an agent, employee, or tenant nominated by a person
covered by Subdivision (1) or (2).

(b) Section 375.063, Local Government Code, does not apply to the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.053. APPOINTMENT OF DIRECTORS. The governing body of the City of Arlington shall appoint directors from persons recommended by the board as provided by Section 375.064, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director appointed under Section 11 may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section
Sec. 3823.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Chapter 505, Local Government Code; and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Sec. 3823.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Sec. 3823.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.
(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Tarrant County or the City of Arlington to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.106. ELECTRONIC TRANSMISSIONS. (a) The district may acquire, operate, or charge fees for the use of the district conduits for:

(1) another person's:
    (A) telecommunications network;
    (B) fiber-optic cable; or
    (C) electronic transmission line; or
(2) any other type of transmission line or supporting facility.

(b) The district may not require a person to use a district conduit.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS
Sec. 3823.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.152. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment
according to the most recent certified tax appraisal roll for Tarrant County; or

(2) at least 50 owners of real property in the district that will be subject to the assessment, if more than 50 persons own real property in the district that will be subject to assessment according to the most recent certified tax appraisal roll for Tarrant County.

(c) A petition requesting a project financed by bonds must be signed by the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for Tarrant County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3823.155. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note,
certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3823.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**CHAPTER 3824. HARBORSIDE MANAGEMENT DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3824.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Harborside Management District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.002. HARBORSIDE MANAGEMENT DISTRICT. The Harborside Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.003. PURPOSE; DECLARATION OF INTENT. (a) The
The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Galveston, Galveston County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Galveston County or the City of Galveston from providing the level of services provided, as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1255, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

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

(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 1255, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3824.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Galveston under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by the City of Galveston under Chapter 312, Tax Code; or

(3) an enterprise zone created by the City of Galveston under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3824.051. COMPOSITION; TERMS. (a) Except as provided by Subsection (c), the district is governed by a board of five voting directors appointed under Section 3824.052 and nonvoting directors as provided by Section 3824.053.

(b) Voting directors serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may increase or decrease the number
of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.052. APPOINTMENT OF DIRECTORS. The governing body of the City of Galveston shall appoint voting directors to the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the following departments of the City of Galveston or a person designated by that director:
   (A) parks and recreation;
   (B) planning and zoning; and
   (C) public works; and

(2) the city manager of the City of Galveston or a person designated by the city manager.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

(c) Nonvoting directors are not counted for the purposes of establishing a quorum of the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and
decisions; and
(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or
(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3824.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that chapter;
(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district;
(3) a municipality under Chapter 380, Local Government Code;
(4) an entity described in Chapters 284 and 441, Transportation Code; and
Sec. 3824.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Galveston County or the City
of Galveston to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $15,000.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. (a) The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

(b) An expenditure of public money for membership in the organization is considered to further a district purpose and to be for a public purpose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.107. ECONOMIC DEVELOPMENT PROGRAMS. The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3824.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3824.152, the district may impose an annual ad valorem tax on taxable property in the district for:

(1) maintenance and operation of the district and the improvements constructed or acquired by the district; or

(2) provision of a service.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

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

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3824.155. PETITION REQUIRED FOR FINANCING SERVICES AND
IMPROVEMENTS. (a) The board may not finance a service or
improvement project with assessments under this chapter unless a
written petition requesting that service or improvement has been
filed with the board.

(b) The petition must be signed by the owners of a majority of
the assessed value of real property in the district subject to
assessment according to the most recent certified tax appraisal roll
for Galveston County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3824.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
ASSESSMENTS. The district may not impose an impact fee or assessment
on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3824.159. TAX AND ASSESSMENT ABATEMENTS. Without further authorization or other procedural requirement, the district may
grant, consistent with Chapter 312, Tax Code, an abatement for a tax
or assessment owed to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3824.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH
OUTSTANDING DEBT. (a) The board may vote to dissolve a district
that has debt. If the vote is in favor of dissolution, the district
shall remain in existence solely for the limited purpose of
discharging its debts. The dissolution is effective when all debts
have been discharged.

(b) Section 375.264, Local Government Code, does not apply to
the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

**CHAPTER 3825. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 1**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3825.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means Harris County Road Improvement
District No. 1.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3825.002. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 1.
Harris County Road Improvement District No. 1 is a special district
created under Section 52, Article III, and Section 59, Article XVI,
Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.
Sec. 3825.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The present and prospective traffic congestion in the district and the safety of pedestrians and the limited availability of funds require the promotion and development of public transportation and pedestrian facilities and systems, and the district will serve the public purpose of securing expanded and improved transportation and pedestrian facilities and systems.

(e) The district will:

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

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 885, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 885, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and
purposes set forth in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3825.051. COMPOSITION; TERMS. The district is governed by a board of five elected directors. Directors serve staggered terms of four years.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.052. QUALIFICATIONS. (a) A person must meet the qualifications of Section 375.063, Local Government Code, to serve as a district director.

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.053. ELECTION DATE. Elections for directors shall be held on the uniform election date in May in even-numbered years.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3825.101. POWERS OF DISTRICT. The district has all powers provided by the general laws on road districts and road utility districts created under Section 52, Article III, Texas Constitution, and conservation and reclamation districts and municipal management districts created under Section 59, Article XVI, Texas Constitution, including:

(1) Chapters 257 and 441, Transportation Code;
(2) Chapter 375, Local Government Code; and
 Chapters 49 and 54, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person. (b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.103. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a municipality or county to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**SUBCHAPTER D. FINANCIAL PROVISIONS**

Sec. 3825.151. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee and use the proceeds of the tax, assessment, or impact fee for:

(1) any district purpose, including the payment of debt or other contractual obligations; or
(2) the payment of maintenance and operating expenses.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.
(b) The board may include more than one purpose in a single proposition at an election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.153. MAINTENANCE AND OPERATION TAX. (a) The district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
Sec. 3825.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project through an assessment under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located; or

(2) at least 25 owners of land in the district that will be subject to the assessment, if more than 25 persons own land in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment or facilities, of:

(1) an electric utility as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3825.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad
valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

CHAPTER 3826. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 2
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 3826.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means Harris County Road Improvement District No. 2.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.002. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 2. Harris County Road Improvement District No. 2 is a special district created under Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The present and prospective traffic congestion in the district and the safety of pedestrians and the limited availability of funds require the promotion and development of public transportation and pedestrian facilities and systems, and the district will serve the public purpose of securing expanded and improved transportation and pedestrian facilities and systems.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road.
improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1297, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 1297, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes set forth in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 3826.051. COMPOSITION; TERMS. The district is governed by
a board of five elected directors. Directors serve staggered terms of four years.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.052. QUALIFICATIONS. (a) A person must meet the qualifications of Section 375.063, Local Government Code, to serve as a district director.

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.053. ELECTION DATE. Elections for directors shall be held on the uniform election date in May in even-numbered years.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3826.101. POWERS OF DISTRICT. The district has all powers provided by the general laws on road districts and road utility districts created under Section 52, Article III, Texas Constitution, and conservation and reclamation districts and municipal management districts created under Section 59, Article XVI, Texas Constitution, including:

(1) Chapters 257 and 441, Transportation Code;
(2) Chapter 375, Local Government Code; and
(3) Chapters 49 and 54, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.
(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.103. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a municipality or county to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**SUBCHAPTER D. FINANCIAL PROVISIONS**

Sec. 3826.151. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee and use the proceeds of the tax, assessment, or impact fee for:

(1) any district purpose, including the payment of debt or other contractual obligations; or

(2) the payment of maintenance and operating expenses.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.153. MAINTENANCE AND OPERATION TAX. (a) The
district may impose an annual ad valorem tax on taxable property in
the district for any district purpose, including to:

(1) maintain and operate the district and the improvements
constructed or acquired by the district; or
(2) provide a service.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3826.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The
board by resolution may impose an assessment for any purpose
authorized by this chapter.

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3826.155. PETITION REQUIRED FOR FINANCING SERVICES AND
IMPROVEMENTS. (a) The board may not finance a service or
improvement project through an assessment under this chapter unless a
written petition requesting that service or improvement has been
filed with the board.
(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located; or

(2) at least 25 owners of land in the district that will be subject to the assessment, if more than 25 persons own land in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3826.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or
other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

CHAPTER 3827. KATY TOWNE CENTRE DEVELOPMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3827.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means Katy Towne Centre Development District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.002. KATY TOWNE CENTRE DEVELOPMENT DISTRICT. Katy Towne Centre Development District is a special district created under Section 52, Article III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3827.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

1. further the public purposes of development and diversification of the economy of the state;
2. eliminate unemployment and underemployment; and
3. develop or expand transportation and commerce.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community; and
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.005. FINDINGS RELATED TO REDEVELOPMENT. The legislature finds that development or redevelopment in the area in the district would not occur solely through private investment in the
reasonably foreseeable future and that the area in the district:
   (1) is unproductive, underdeveloped, or blighted;
   (2) substantially arrests and impairs the sound growth of
the city of Katy because of:
      (A) obsolete platting;
      (B) deterioration of structures or site improvements;
or
      (C) other factors;
   (3) retards the provision of housing accommodations;
   (4) is an economic and social liability;
   (5) is a menace to the public health, safety, morals, and
welfare in its present condition and use; and
   (6) is predominantly open.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.006. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 4, Chapter 765, Acts
of the 78th Legislature, Regular Session, 2003, as that territory may
have been modified under:
   (1) Subchapter J, Chapter 49, Water Code; or
   (2) other law.

   (b) The boundaries and field notes of the district contained in
Section 4, Chapter 765, Acts of the 78th Legislature, Regular
Session, 2003, form a closure. A mistake made in the field notes or
in copying the field notes in the legislative process does not in any
way affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for a purpose for which
the district is created or to pay the principal of and interest on a
bond;
   (3) right to impose or collect an assessment or tax; or
   (4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter
shall be construed liberally in conformity with the findings and purposes set forth in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3827.051. COMPOSITION; TERMS. The district is governed by a board of five directors. Directors serve staggered terms of four years.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.052. APPOINTMENT OF DIRECTORS. (a) The governing body of the City of Katy shall appoint directors to the board.

(b) Section 375.063, Local Government Code, and Section 49.052, Water Code, do not apply to district directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.053. VACANCIES. A vacancy on the board shall be filled by the remaining directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3827.101. POWERS OF DISTRICT. The district has all powers provided by the general laws on road districts and road utility districts created under Section 52, Article III, Texas Constitution, and conservation and reclamation districts and municipal management districts created under Section 59, Article XVI, Texas Constitution, including:

1. Chapters 257 and 441, Transportation Code;
2. Chapter 375, Local Government Code; and
(3) Chapters 49 and 54, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.103. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a municipality or county to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.104. USE AND ALTERATION OF PUBLIC WAYS. Section 375.093(c), Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3827.151. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee and use the proceeds of the tax, assessment, or impact fee for:

(1) any district purpose, including the payment of debt or other contractual obligations; or

(2) the payment of maintenance and operating expenses.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3827.152. TAX AND BOND ELECTIONS. (a) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not include more than one purpose in a single proposition at an election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.153. MAINTENANCE AND OPERATION TAX. (a) The district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) maintain and operate the district, including improvements constructed or acquired by the district; or
(2) provide a service.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

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

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceeding.
(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project through an assessment under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located; or

(2) at least 25 owners of real property in the district that will be subject to the assessment, if more than 25 persons own real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3827.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.
Sec. 3827.157. TAX INCREMENT REINVESTMENT ZONE; POWERS; ELIGIBILITY. (a) Without further authorization or procedural requirement, the district is a tax increment reinvestment zone under Chapter 311, Tax Code.

(b) The district has all powers provided under Chapter 311, Tax Code.

(c) The district and an overlapping taxing unit may enter into an interlocal agreement for the payment of all or a portion of the tax increment of the unit to the district.

(d) The base year value of the district, for tax increment financing purposes, is the value as of January 1, 2003, of all taxable real property in the district as shown on the certified tax rolls of the central appraisal district.

(e) All or any part of the area of the district is eligible to be included in a tax increment reinvestment zone created by the City of Katy under Chapter 311, Tax Code.

Sec. 3827.158. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3828.001. DEFINITIONS. In this chapter:

1. "Board" means the board of directors of the district.
2. "Commission" means the Texas Commission on Environmental Quality.
3. "District" means the Lake View Management and Development District.
4. "Improvement project" means a program or project authorized by Section 3828.102, inside or outside the boundaries of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.002. CREATION AND NATURE OF DISTRICT. (a) The Lake View Management and Development District is a special district created under Section 59, Article XVI, Texas Constitution.

(b) The board by resolution may change the district's name. The board shall give written notice of the change to the commission.

(c) The district is a governmental unit for the purposes of Chapter 101, Civil Practice and Remedies Code, and operations of the district are considered to be essential governmental functions and not proprietary functions for all purposes, including the application of that chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

(b) All land and other property included in the district will benefit from the improvement projects and services to be accomplished by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district:
1. is essential to the conservation and beneficial use of
the water, land, including soil, and other natural resources in or adjacent to the district;

(2) is essential to further the public purposes of:
(A) economic development and diversification of the state;
(B) elimination of unemployment and underemployment; and
(C) stimulation and development of transportation and commerce;

(3) will promote the health, safety, and general welfare of residents, employers, employees, and consumers in the district and in Henderson County and of the public; and

(4) is in the public interest.

(d) The district's operations and the district's improvement projects will enable the district to preserve, maintain, and enhance the economic health and vitality of the area in the district as a community, residential, recreational, business, and commerce center.

(e) The district will promote the health, safety, welfare, education, convenience, and enjoyment of the public by:
(1) improving, landscaping, and developing certain areas in and adjacent to the district; and
(2) providing public services and facilities in and adjacent to the district that are necessary for the restoration, preservation, enhancement, and enjoyment of scenic beauty.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1292, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Section 3828.105 or its predecessor statute, former Section 18, Chapter 1292, Acts of the 78th Legislature, Regular Session, 2003; or
(2) other law.

(b) The boundaries of the district form a closure. A mistake in the name or spelling of a party to a deed or to the page or volume where filed in the deed records of Henderson County, or in the name
of a survey or abstract, does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to enter into any type of contract for the purposes for which the district is created;
(3) the district's right to impose, assess, or collect taxes, fees, or charges; or
(4) the operation of the board or the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.005. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3828.051. COMPOSITION; TERMS. (a) The district is governed by a board of five directors who serve staggered terms of four years.

(b) The board shall hold an election on the uniform election day in February of each even-numbered year to elect the appropriate number of directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.052. ELIGIBILITY. To be qualified to serve as a director, a person must be at least 18 years of age and:

(1) reside in the district;
(2) own real property in the district;
(3) own at least 10 percent of the outstanding interest of a corporation or general or limited partnership that owns real property in the district; or
(4) be an agent, employee, officer, or director of a corporation, limited liability company, or partnership that owns real
property in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.053. VACANCY. (a) The remaining directors shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3828.052.
(b) If there are fewer than three directors, on petition by the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for Henderson County, the Commissioners Court of Henderson County shall appoint the necessary number of directors to fill all board vacancies.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 249 (S.B. 2503), Sec. 1, eff. May 27, 2009.

Sec. 3828.0535. VOTING REQUIREMENT. A concurrence of a majority of the total membership of the board is sufficient for transacting any business of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 249 (S.B. 2503), Sec. 2, eff. May 27, 2009.

Sec. 3828.054. DIRECTOR'S BOND; OATH OR AFFIRMATION. (a) As soon as practicable after a director is elected or appointed, the director shall execute a bond for $10,000 payable to the district and conditioned on the faithful performance of the director's duties.
(b) The bond must be approved by the board.
(c) The bond and constitutional oath or affirmation of office shall be filed with the district and the district shall retain the bond and oath or affirmation in the district records.
(d) The district shall pay the cost of the bond.
Sec. 3828.055. OFFICERS. The board shall elect from among the directors a presiding officer, a vice presiding officer, a secretary, and any other officers the board considers necessary.

Sec. 3828.056. COMPENSATION. (a) In this section, "performing the duties of a director" means substantive performance of the management or business of the district, including participation in board and committee meetings and other activities involving the substantive deliberation of district business and in pertinent educational programs. The term does not include routine or ministerial activities such as the execution of documents, self-preparation for meetings, or other activities requiring a minimal amount of time.

(b) A director is entitled to receive fees of office of not more than $150 a day for each day the director spends performing the duties of a director as compensation for service on the board and is entitled to reimbursement for necessary and reasonable expenses incurred in performing the duties of a director.

(c) The board by resolution shall set a limit on the fees of office that a director may receive in a year. The board may not set the limit at more than $7,200.

(d) To receive compensation or reimbursement for expenses, a director must file with the district a verified statement showing the number of days spent performing the duties of a director and a general description of the duties performed for each day of service.
Sec. 3828.058. DISTRICT CONFIRMATION ELECTION. (a) As soon as practicable after all initial directors have qualified for office, the initial directors shall hold an organizational meeting and call a confirmation election to be held not later than the second uniform election date occurring after the date of the organizational meeting.

(b) The confirmation election to confirm the establishment of the district shall be called and held in the manner provided by Subchapter D, Chapter 49, Water Code. If a majority of the votes cast at a confirmation election do not favor the creation of the district, the board may call subsequent elections, but may not call another confirmation election sooner than six months after the date of the previous election.

(c) Before the district is confirmed at an election, the district may carry on business as the board may determine except that the district may not borrow money or impose or assess a tax or an assessment.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3828.101. GENERAL POWERS AND DUTIES. The district has the powers and duties provided by:

(1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code, except that the district's bonds and other securities are not subject to the jurisdiction or supervision of the commission under Chapter 49, Water Code, or other law;

(2) the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapters 257 and 441, Transportation Code;

(3) Chapter 372 or 382, Local Government Code, in the same manner as a municipality or a county;

(4) Chapter 375, Local Government Code; and

Sec. 3828.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects or activities in support of or incidental to those projects:

(1) a retail or wholesale water treatment, supply, and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater and sewerage collection and treatment facility or system, provided that treated effluent water resulting from a sewerage treatment facility operated by or in the district may be used by the district for irrigation in the district;

(2) septic tank maintenance services inside or outside the district and solid waste disposal services if the board determines the action to be necessary and appropriate to protect the district;

(3) a macadamized, graveled, or paved road, street, or turnpike, inside and outside the district to the extent authorized by Section 52, Article III, Texas Constitution;

(4) the planning, design, construction, improvement, and maintenance of:

(A) landscaping;

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

(C) lighting, banners, and signs;

(D) a street or sidewalk;

(E) a hiking and cycling path or trail;

(F) a pedestrian walkway, skywalk, crosswalk, or tunnel;

(G) a park, lake, garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve;
(H) a fountain, plaza, or pedestrian mall; or
(I) a drainage or storm-water detention improvement;
(5) protection and improvement of the quality of storm water that flows through the district;
(6) the planning, design, construction, improvement, maintenance, and operation of:
   (A) a solid waste, water, sewer, or power facility or service, including an electrical, gas, steam, or chilled water facility; or
   (B) an off-street parking facility or heliport;
(7) the planning and acquisition of:
   (A) public art and sculpture and related exhibits and facilities; or
   (B) an educational and cultural exhibit or facility;
(8) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
   (A) a conference, convention, or exhibition;
   (B) a manufacturer, consumer, or trade show;
   (C) a civic, community, or institutional event; or
   (D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;
(9) the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project;
(10) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project;
(11) the acquisition of property or an interest in property in connection with an authorized improvement project;
(12) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:
   (A) advertising;
   (B) promotion;
   (C) tourism;
   (D) health and sanitation;
   (E) public safety;
   (F) security;
   (G) fire protection or emergency medical services;
(H) business recruitment;
(I) development;
(J) elimination of traffic congestion; and
(K) recreational, educational, or cultural improvements, enhancements, and services;
(13) a canal, waterway, bulkhead, or dock, inside or outside the district's boundaries, that is necessary to, incidental to, or in aid of the navigation of inland water;
(14) a floodplain or wetlands regulation project, including the acquisition of necessary local, state, or federal permits; or
(15) any similar public improvement, facility, or service.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 249 (S.B. 2503), Sec. 5, eff. May 27, 2009.

Sec. 3828.103. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:
(1) enter into a contract with any person to accomplish any district purpose, including a contract for:
   (A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost; or
   (B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and
(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.
(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board
(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.104. RULES. The district may adopt rules:
(1) to administer or operate the district;
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's properties and facilities; or
(3) to provide for public safety and security in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.105. ADDITION OR REMOVAL OF TERRITORY. The board may add, delete, or exclude territory in the manner provided by Subchapter J, Chapter 49, Water Code, as limited by Section 54.016, Water Code, except that:
(1) for purposes of this section, a reference in Subchapter J, Chapter 49, Water Code, or Section 54.016, Water Code, to a tax means an ad valorem tax;
(2) Section 54.016, Water Code, and Section 42.042, Local Government Code, do not apply to the district's annexation of land restricted primarily to commercial or business use;
(3) land may not be added or annexed to the district without the consent of the owners of the land; and
(4) land may not be removed or disannexed from the district at any time during which any bonds or other obligations of the district that are payable, wholly or partly, from ad valorem taxes are outstanding.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3828.106. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain inside district boundaries for any public purpose.
(b) The district may exercise the power of eminent domain outside district boundaries only to construct, acquire, operate, repair, or maintain a water supply line or sanitary sewer line.
(c) The district's power of eminent domain must be exercised in the manner provided by Chapter 21, Property Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.107. NONPROFIT CORPORATION. (a) The board by resolution may authorize the incorporation of a nonprofit corporation to assist and act for the district in implementing an improvement project or providing a service authorized by this chapter.
(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
(2) may implement any improvement project and provide any service authorized by this chapter and approved by the board.
(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner, for the same term, and on the same conditions as a board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.108. ECONOMIC DEVELOPMENT. The district may create economic development programs and exercise the economic development powers that:
(1) Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and
(2) Chapter 1509, Government Code, provides to any municipality.
Sec. 3828.109. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Sec. 3828.110. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OF THE DISTRICT. (a) The board by rule may regulate the private use of a public roadway, open space, park, sidewalk, or similar public area in the district. To the extent the district rules conflict with a rule, order, or regulation of Henderson County or the Tarrant Regional Water District, the rule, order, or regulation of the county or Tarrant Regional Water District controls. A rule may provide for the safe and orderly use of public roadways, open spaces, parks, sidewalks, and similar public areas or facilities.

(b) The board may require a permit for a parade, demonstration, celebration, entertainment event, or similar nongovernmental activity in or on a public roadway, open space, park, sidewalk, or similar public area or facility. The board may charge a fee for the permit application or for public safety or security services in an amount the board considers necessary.

(c) The board may require a permit or franchise agreement with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of the area or facility on terms and on payment of a permit or franchise fee the board may impose.

Sec. 3828.111. ZONING BY COUNTY. (a) If requested by the district to exercise zoning powers, Henderson County may exercise, solely in the district boundaries, the zoning powers granted to
counties in Subchapter E, Chapter 231, Local Government Code, without
holding the election required by Section 231.075 of that code.

(b) If the county exercises zoning powers, the board shall
exercise and perform the powers, duties, and functions of a lake
planning commission under Section 231.077, Local Government Code.

(c) This section does not apply to land or facilities owned by
the Tarrant Regional Water District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3828.112. DIVISION OF DISTRICT. (a) The district may be
divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030
through 53.041, Water Code.

(c) Any new district created by the division of the district
may not, at the time the new district is created, contain any land:

(1) outside Henderson County; or

(2) in the corporate limits or extraterritorial
jurisdiction of a municipality, unless the municipality consents.

(d) Any new district created by the division of the district
has all the powers and duties of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1002 (S.B. 1993), Sec. 1,

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3828.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. The
district may:

(1) impose an ad valorem tax on all taxable property in the
district;

(2) impose an assessment or impact fee in the manner
provided for a municipality or county under Chapter 372 or 382, Local
Government Code, on all industrial, commercial, and residential
property in the district;

(3) impose and apply the proceeds from a sales and use tax,
and a hotel occupancy tax, as authorized by this chapter;
(4) impose a rate, fee, or charge for the use of an improvement project or the consumption of a product resulting from an improvement project;

(5) borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for the district purpose;

(6) establish, revise, repeal, enforce, collect, and apply the proceeds from a user fee or charge for the enjoyment, sale, rental, or other use of a district facility, service, property, or improvement project;

(7) provide or secure the payment or repayment of the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs of an improvement project or district contractual obligation or indebtedness by or through a lease, installment purchase contract, or other agreement with any person, or the imposition of taxes, user fees, concessions, rentals, or other revenues or resources of the district;

(8) establish user charges related to the operation of various public services, including public water supply services, for the collection and treatment of wastewater, and for the operation of storm-water facilities, including the regulation of storm water for the protection of water quality in the district, and for the provision of septic tank maintenance services inside and outside the district;

(9) undertake separately or jointly with other persons all or part of the cost of an improvement project, including an improvement project:

(A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or

(B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(10) enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
Sec. 3828.152. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a) The district may impose an impact fee or assessment, including an impact fee or assessment on residential property, only in the manner provided by Chapter 372 or 382, Local Government Code, for a municipality, county, or public improvement district, according to the benefit received by the property.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:
   (1) public water and wastewater facilities;
   (2) drainage and storm-water facilities; and
   (3) streets and alleys.

(c) The district may not impose an impact fee or assessment on the property, including equipment and facilities, of a public utility provider or a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.024, eff. September 1, 2009.

Sec. 3828.153. MAINTENANCE AND OPERATION TAX; ELECTION. (a) The district may impose a tax for maintenance and operation purposes, including for funds for:
   (1) planning, constructing, acquiring, maintaining, repairing, and operating all necessary land, plants, works, facilities, improvements, appliances, and equipment of the district; and
   (2) paying costs of services, engineering and legal fees, and organization and administrative expenses.
(b) The district may not impose a maintenance and operation tax unless the tax is approved by a majority of the voters voting at an election held for that purpose. If the tax is approved, the board may have the tax assessed and collected in the same manner as other district ad valorem taxes.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

(d) The proposition in a maintenance and operation tax election may be for a specific maximum rate or for an unlimited rate.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.154. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.155. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds in the manner provided by Subchapter J, Chapter 375, Local Government Code, except that Sections 375.207 and 375.208 do not apply to bonds issued under this chapter.

(b) In addition to the sources of money described by Subchapter J, Chapter 375, Local Government Code, the bonds of the district may be secured and made payable, wholly or partly, by a pledge of any part of the net proceeds the district receives from the sales and use tax and the hotel occupancy tax authorized by this chapter and from any other district revenues.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.156. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a) At
the time bonds or other obligations payable wholly or partly from ad
valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad
valorem tax, without limit as to rate or amount, for each year that
all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on
all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations
as the interest becomes due;

(B) create a sinking fund for the payment of the
principal of the bonds or other obligations when due or the
redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

(b) Bonds or other obligations that are secured by and payable
from ad valorem taxes may not be issued unless the bonds and the
imposition of the taxes are approved by a majority of the voters in
the district voting at an election held for that purpose.

(c) The district shall hold an election required by this
section in the manner provided by Subchapter L, Chapter 375, Local
Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

The following section was amended by the 86th Legislature. Pending
publication of the current statutes, see S.B. 2, 86th Legislature,
Regular Session, for amendments affecting the following section.

Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS.
Sections 26.04, 26.05, and 26.07, Tax Code, do not apply to a tax
imposed under Section 3828.153 or 3828.156.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3828.158. HOTEL OCCUPANCY TAX. (a) In this section,
"hotel" has the meaning assigned by Section 156.001, Tax Code.

(b) For purposes of this section, a reference in Subchapter A,
Chapter 352, Tax Code, to a county is a reference to the district and
a reference in Subchapter A, Chapter 352, Tax Code, to the county's officers or governing body is a reference to the board.

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

(d) The board by order may impose, repeal, increase, or decrease the rate of a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that:

1. is in a hotel located in the district's boundaries;
2. costs $2 or more each day; and
3. is ordinarily used for sleeping.

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

(f) The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a municipality.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.159. USE OF HOTEL OCCUPANCY TAX. (a) The district may use the proceeds from a hotel occupancy tax imposed under Section 3828.158 for any of the district's purposes and for the purposes described by Section 352.1015, Tax Code, to the extent the board considers appropriate.

(b) During each interval of three calendar years following the date on which a hotel occupancy tax imposed under Section 3828.158 is initially collected, the board may not apply an annual average of more than 10 percent of the amount of tax collected under that section, excluding any interest earnings or investment profits and after a deduction for the costs of imposing and collecting the taxes, for the administrative expenses of the district or a district purpose other than:

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

(A) conferences, conventions, and exhibitions;
(B) manufacturer, consumer, or trade shows; and
(C) civic, community, or institutional events.

(c) For purposes of this section, a reference in Subchapter B, Chapter 352, Tax Code, to a county is a reference to the district and a reference in Subchapter B, Chapter 352, Tax Code, to the county's officers or governing body is a reference to the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER E. SALES AND USE TAX

Sec. 3828.201. MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.202. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.
(a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.
(b) The provisions of Subchapters C, D, E, and F, Chapter 323, Tax Code, relating to county sales and use taxes apply to the application, collection, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 323, Tax Code, to a county referred to the district and references to a commissioners court referred to the board.
(c) Sections 323.401-323.404 and 323.505, Tax Code, do not apply to a tax imposed under this subchapter.
Sec. 3828.203. AUTHORIZATION; ELECTION. (a) The district may adopt, reduce, or repeal the sales and use tax authorized by this subchapter at an election in which a majority of the voters of the district voting in the election approve the adoption, reduction, or repeal of the tax, as applicable.

(b) The board by order may call an election to adopt, reduce, or repeal a sales and use tax. The election must be held on the next available uniform election date that occurs at least 45 days after the date the order calling the election was passed.

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

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

(1) "Adoption of a ___ percent district sales and use tax within the district";

(2) "Reduction of the district sales and use tax within the district from ___ percent to ___ percent"; or

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

Sec. 3828.204. EFFECTIVE DATE OF TAX. A tax imposed under this subchapter or the repeal or reduction of a tax under this subchapter takes effect on the first day of the calendar quarter that occurs after the date the comptroller receives the copy of the resolution as required by Section 323.405(b), Tax Code.

Sec. 3828.205. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax of two
percent, or the maximum rate at which the combined tax rate of all local sales and use taxes in any location in the district does not exceed two percent, on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer within the district during the period that the tax is in effect.

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.206. EFFECT OF ANNEXATION OR EXCLUSION OF TERRITORY. (a) If all or part of the district territory is annexed by a municipality that has adopted and is imposing a sales and use tax, the sales and use tax imposed by the district in the annexed territory shall be reduced, if required, in even multiples of one-eighth percent, and without the necessity of an election, so that the combined rate of all sales and use taxes imposed by Henderson County, the annexing municipality, and all other political subdivisions within the annexed territory of the district will not exceed two percent, except that:

(1) a sales and use tax previously adopted by the district for the annexed territory may not be reduced to less than one-half percent; and

(2) a reduction of the district's sales and use tax in the portions of the district that are not annexed is not required.

(b) Not later than the 10th day after the date of the annexation or exclusion of territory by the district or the annexation of all or part of the territory of the district by a municipality requiring a reduction of the district's sales and use tax as provided by this section, the board shall send to the comptroller, by certified or registered mail, certified copies of all resolutions, orders, or ordinances pertaining to the annexation or exclusion of the territory by a district or municipality.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3828.207.  EXAMINATION AND RECEIPT OF INFORMATION.  The district may examine and receive information related to the imposition of a sales and use tax to the same extent as if the district were a municipality.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER F. DISSOLUTION OF DISTRICT

Sec. 3828.251. DISsolution. (a) Except as provided by Subsection (b) and the terms of a joint development and operating agreement, the board:

(1) may dissolve the district; and

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

CHAPTER 3829. SIENNA PLANTATION MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3829.001. DEFINITIONS.  In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Sienna Plantation Management District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3829.002. SIENNA PLANTATION MANAGEMENT DISTRICT. The Sienna Plantation Management District is a special district created under Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 987, Sec. 1(a))

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Missouri City, Fort Bend County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Fort Bend County or the City of Missouri City from providing the level of services provided, as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.
(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 987, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 987, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any
way affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Missouri City under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the City of Missouri City under Chapter 312, Tax Code; or
(3) an enterprise zone created by the City of Missouri City under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3829.051. COMPOSITION; TERMS. (a) Except as provided by Subsection (c), the district is governed by a board of five directors appointed under Section 3829.052.

(b) Directors serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may increase or decrease the number of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.052. APPOINTMENT OF DIRECTORS. The board shall nominate a slate of persons to serve as directors. The members of the governing body of the City of Missouri City shall appoint as directors the slate of persons nominated by the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.053. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in
the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.054. COMPENSATION. (a) A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code.

(b) Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1070 (H.B. 4727), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3829.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that chapter;

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and

(3) a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.54, eff. April 1, 2009.
Sec. 3829.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Fort Bend County or the City of Missouri City to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.105. COMPETITIVE BIDDING. (a) Subchapter I, Chapter 49, Water Code, applies to the district.

(b) Sections 375.221 and 375.223, Local Government Code, do not
apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
    Acts 2009, 81st Leg., R.S., Ch. 1070 (H.B. 4727), Sec. 2, eff. June 19, 2009.

Sec. 3829.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended, and perform services or provide activities consistent with the furtherance of the purposes of the district. An expenditure of public money for membership in the organization is considered to further the purposes of the district and to be for a public purpose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.107. ECONOMIC DEVELOPMENT PROGRAMS. The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

    (1) make loans and grants of public money; and
    (2) provide district personnel and services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.108. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.
(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code.
(c) Section 375.044(b), Local Government Code, does not apply to the district.
Sec. 3829.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1070 (H.B. 4727), Sec. 3, eff. June 19, 2009.

Sec. 3829.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3829.152, the district may impose an annual ad valorem tax in accordance with Section 49.107, Water Code, on taxable property in the district for any purpose, including the:

(1) maintenance and operation of the district and the
improvements constructed or acquired by the district;  
(2) construction or acquisition of improvements; or  
(3) provision of a service.  
(b) The board shall determine the tax rate.  
(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.  
Amended by:  
Acts 2009, 81st Leg., R.S., Ch. 1070 (H.B. 4727), Sec. 4, eff. June 19, 2009.

Sec. 3829.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.  
(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:  
(1) are a first and prior lien against the property assessed;  
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and  
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.  
(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.  
(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3829.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Fort Bend County; or

(2) at least 25 owners of real property in the district, if more than 25 persons own real property in the district according to the most recent certified tax appraisal roll for Fort Bend County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.
(b) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other debt from a bank or financial institution secured by revenue other than ad valorem taxes.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

(d) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1070 (H.B. 4727), Sec. 5, eff. June 19, 2009.

Sec. 3829.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.159. TAX AND ASSESSMENT ABATEMENTS. Without further authorization or other procedural requirement, the district may grant, consistent with Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3829.160. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375,
Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1070 (H.B. 4727), Sec. 6, eff. June 19, 2009.

Sec. 3829.161. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 1070 (H.B. 4727), Sec. 6, eff. June 19, 2009.

SUBCHAPTER E. DISSOLUTION

Sec. 3829.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER F. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3829.251. PUBLIC TRANSIT SYSTEM. The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1070 (H.B. 4727), Sec. 7, eff. June 19, 2009.

Sec. 3829.252. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY. (a) The district may acquire, lease as lessor or
lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for motor vehicle off-street parking; and
(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district may be leased to, or operated for the district by, an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution. The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1070 (H.B. 4727), Sec. 7, eff. June 19, 2009.

Sec. 3829.253. RULES. The district may adopt rules covering its public transit system or its public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1070 (H.B. 4727), Sec. 7, eff. June 19, 2009.

Sec. 3829.254. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating a public transit system or public parking facilities.

(b) The district may:

(1) set, charge, impose, and collect fees for the use of the public transit system or public parking facilities; and
(2) issue bonds or notes to finance the cost of the public transit system or public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1070 (H.B. 4727), Sec. 7, eff. June 19, 2009.
CHAPTER 3830. SPRING BRANCH AREA COMMUNITY IMPROVEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3830.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Spring Branch Area Community Improvement District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.002. SPRING BRANCH AREA COMMUNITY IMPROVEMENT DISTRICT. The Spring Branch Area Community Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.
(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district.
(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

1. further the public purposes of development and diversification of the economy of the state;
2. eliminate unemployment and underemployment; and
3. develop or expand transportation and commerce.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district and of the public;
2. provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 777, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:
(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 777, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3830.051. COMPOSITION; TERMS. (a) The district is governed by a board of 13 directors appointed under Section 3830.053.

(b) Directors serve staggered terms of four years, with six or seven directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
Sec. 3830.052. QUALIFICATIONS. (a) To be qualified to serve as a director, a person must be at least 18 years old and:

(1) an owner of property subject to assessment by the district;

(2) an owner of a beneficial interest in a trust that owns property subject to assessment by the district; or

(3) an agent, employee, or tenant nominated by a person described in Subdivision (1) or (2).

(b) Section 375.063, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.053. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on
that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that same public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.055. NOTICE AND APPROVAL OF PROPERTY OWNERS. (a) Not later than the 30th day before the date of the first board meeting, written notice must be mailed by certified mail, return receipt requested, to each property owner in the district who could be subject to assessment by the district at the address of the property owner as reflected on the most recent certified tax appraisal roll for Harris County.

(b) The notice under Subsection (a) must include:

(1) a description and definition of the district;

(2) the purpose of the district;

(3) a statement that the district, by action of the board, may charge an assessment for an improvement to be made in the district; and

(4) the time, date, and location of the first board meeting.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3830.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Chapter 505, Local Government Code;
and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.55, eff. April 1, 2009.

Sec. 3830.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3830.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $15,000.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.106. ELECTRONIC TRANSMISSIONS. (a) The district may acquire, operate, or charge fees for the use of the district conduits for:

1. another person's:
   (A) telecommunications network;
   (B) fiber-optic cable; or
   (C) electronic transmission line; or
2. any other type of transmission line or supporting facility.

(b) The district may not require a person to use a district conduit.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3830.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3830.152. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments or bonds under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition requesting a project financed by assessment must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of real property in the district that will be subject to the assessment, if more than 50 persons own real property subject to the assessment in the district according to the most recent certified tax appraisal roll for Harris County.

(c) A petition requesting a project financed by bonds must be
signed by the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3830.155. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
SUBCHAPTER E. DISSOLUTION

Sec. 3830.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

CHAPTER 3831. TEMPLE HEALTH AND BIOSCIENCE ECONOMIC DEVELOPMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3831.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "City council" means the governing body of the City of Temple.
(3) "Director" means a board member.
(4) "District" means the Temple Health and Bioscience Economic Development District.
(5) "Obligation" means an interest-bearing obligation issued by the district under this chapter, including a bond, certificate, note, or other evidence of indebtedness.
(6) "Project" means a project established under Section 3831.111 and includes the land, buildings, equipment, facilities, infrastructure, improvements, and other property necessary to accomplish the purposes of the project.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.002. PURPOSE; DECLARATION OF LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Section 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and to accomplish other public purposes stated in this chapter, including:
(1) development and diversification of the economy of the state;
(2) the elimination of unemployment or underemployment in the state;
(3) the stimulation of agricultural innovation;
(4) fostering the growth of enterprises based on agriculture; and
(5) the development or expansion of transportation or commerce in the state.

(b) This chapter is enabling legislation enacted to further the public purposes under Section 52-a, Article III, Texas Constitution.

(c) The creation of the district is necessary to further the public purpose of improving the economy of this state and of the city of Temple by providing for the development of health and bioscience operations and facilities.

(d) The district serves the public purposes stated in this section.

(e) Property owners in the district benefit from the district and its activities.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 507 (S.B. 1033), Sec. 1, eff. June 19, 2009.

Sec. 3831.003. NATURE OF DISTRICT. The district is a special district and a political subdivision of this state under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.004. DISTRICT TERRITORY. The district boundaries are coextensive with the boundaries of the city of Temple as the boundaries of the city are adjusted by the city.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3831.005. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the legislative findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Temple under Chapter 311, Tax Code; or
(2) a tax abatement reinvestment zone created by the City of Temple under Chapter 312, Tax Code.

(b) If the City of Temple creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may:

(1) grant money deposited in the tax increment fund to the district to be used by the district for any purpose, including pledging the money as security for any bonds issued by the district for an improvement project; or
(2) give the district the power to manage or implement a reinvestment zone's project or financing plans.

Added by Acts 2009, 81st Leg., R.S., Ch. 507 (S.B. 1033), Sec. 2, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3831.051. GOVERNING BODY. The district is governed by a board of seven directors elected as provided by this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.052. TERMS. Directors serve staggered three-year terms.
Sec. 3831.053. DATE OF ELECTIONS. The district shall hold board elections so that:

(1) four directors are elected on the regular election day on which certain members of the city council and the mayor of the City of Temple are elected; and

(2) three directors are elected on the regular election day on which the other members of the city council of the City of Temple are elected.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.054. QUALIFICATIONS. A director:

(1) must be a registered voter of the City of Temple; and

(2) may not:

(A) be an elected official; or

(B) be employed by the district or the City of Temple.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.055. VACANCY. The remaining directors shall fill a vacancy in the office of director for the unexpired term.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.056. DIRECTOR'S BOND; OATH OR AFFIRMATION. (a) As soon as practicable after a director is elected or appointed, the director shall execute a bond for $10,000 payable to the district and conditioned on the faithful performance of the director's duties.

(b) The bond must be approved by the board.

(c) The bond and the director's constitutional oath or affirmation of office shall be filed with the district and the
district shall retain the bond and the oath or affirmation in
the district's records.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3831.057. OFFICERS. (a) The board shall elect from among
the directors a presiding officer, a secretary, and any other
officers the board considers necessary.

(b) The board by resolution shall establish the powers and
duties of the officers, consistent with this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3831.058. COMPENSATION; EXPENSES. A director serves
without compensation but is entitled to reimbursement for actual and
necessary expenses approved by the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3831.059. MEETINGS; NOTICE OF MEETINGS. (a) The board
may establish regular meetings to conduct district business and may
hold special meetings at other times as necessary.

(b) The board shall provide the notice prepared under
Subchapter C, Chapter 551, Government Code, to the City of Temple's
secretary. In addition to the requirements imposed by that
subchapter on the district, the city shall post the notice at the
usual location at which notices of city council meetings are posted.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3831.060. EMPLOYEES; PERSONS HIRED BY BOARD. (a) The
board shall employ any person the board considers necessary to
conduct district affairs, including:
(1) engineers;
(2) attorneys;
(3) financial advisors;
(4) economists;
(5) a general manager;
(6) a utility operator;
(7) bookkeepers;
(8) auditors; and
(9) clerical workers.

(b) The board by resolution shall determine the compensation and terms of service of any person employed or hired by the district.

(c) The board may remove any employee.

(d) The board may require an employee to execute a bond payable to the district and conditioned on the faithful performance of the person's duties.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3831.101. GENERAL POWERS. The district has all powers necessary or convenient to carry out and effect the purposes and provisions of this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.102. RULES. The board may adopt rules to govern the district, including rules governing district operations, employees, and property.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.103. DISTRICT OFFICE. The board shall designate and establish a district office in the city of Temple.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
April 1, 2007.

Sec. 3831.104. PROPERTY. The district may exercise any type of property right, including the power to acquire, sell, or lease as lessee or lessor, regarding any type of property interest located inside or outside the boundaries of the district under terms determined by the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 507 (S.B. 1033), Sec. 3, eff. June 19, 2009.

Sec. 3831.105. AGREEMENTS. The district may make an agreement with any person for any district purpose, including a contract to manage or maintain a district project.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.106. GIFTS, GRANTS, AND LOANS. The district may accept a gift, grant, or loan from any person for any district purpose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.107. COMPETITIVE BIDDING. (a) Except as provided by Subsection (b), Section 375.221, Local Government Code, applies to the district.
   (b) Section 375.221, Local Government Code, does not apply to a contract between the district and:
      (1) another governmental entity;
      (2) a nonprofit corporation, including a scientific research corporation; or
      (3) a corporation created under the Development Corporation
Sec. 3831.108. RELATION TO OTHER LAW ON CONTRACTS. This chapter states the procedures necessary to award contracts and supersedes any law or other requirement otherwise applicable to the district regarding the award of contracts.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.109. FEES FOR USE OF DISTRICT IMPROVEMENTS. The district may establish and maintain reasonable and nondiscriminatory rates, fares, charges, rents, or other fees or compensation for the use of the improvements constructed by, operated by, leased to or by, or maintained by the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Amended by:
Acts 2009, 81st Leg., R.S., Ch. 507 (S.B. 1033), Sec. 4, eff. June 19, 2009.

Sec. 3831.110. PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to:
(1) promote state or local economic development; and
(2) stimulate business and commercial activity in the district that relates to a project.
(b) As part of a program, the district may:
(1) make loans or grants of public money for a public purpose as provided by Section 52-a, Article III, Texas Constitution; or
(2) provide district personnel and services for the
program.

(c) The district may contract with any person to administer a program established under this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.111. PROJECTS. (a) The district may establish projects inside or outside the boundaries of the district for:

(1) bioscience and health products, including projects related to:

(A) research and development;
(B) invention and discovery;
(C) commercialization;
(D) production and manufacturing of goods and products, including projects for manufacturing facilities; and
(E) development of production process and delivery system purposes in, involved in, based on, or related to, or intended to advance the state of knowledge, skill, and understanding of, the biosciences, including:

(i) wet laboratories;
(ii) clean rooms;
(iii) dry laboratories;
(iv) research and development facilities;
(v) genetics facilities and equipment;
(vi) pharmaceutical facilities and equipment;
(vii) biotechnology incubators;
(viii) bioscience and biotechnology health care facilities;

(ix) biotechnology facilities;
(x) bioscience facilities; and
(xi) other similar projects;

(2) bioscience education, including projects for health or biotechnology education facilities, regardless of any affiliation with other institutions of higher, vocational, or job training education;

(3) access to public safety facilities and equipment;
(4) streets and roads;
(5) drainage services;
(6) wastewater services;
(7) potable water services;
(8) telecommunication facilities;
(9) demolition of existing structures;
(10) development and institution of water conservation programs;
(11) chilled water services;
(12) steam services;
(13) industrial gases services;
(14) other utility and process and production services; or
(15) the support of any other type of health or bioscience projects.

(b) A project must be related to the bioscience or health purposes of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 507 (S.B. 1033), Sec. 5, eff. June 19, 2009.

Sec. 3831.112. SUITS. (a) The district may sue and be sued.
(b) Service of process in a suit may be made by serving any two directors.
(c) The district may not be required to give security for costs and may appeal from a judgment without giving a supersedeas bond or cost bond.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.113. SEAL. The district may adopt a seal.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.114. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation
under the Business Organizations Code. The nonprofit corporation may be organized to perform biomedical or scientific research or provide biomedical or scientific education for the benefit of the public. The nonprofit corporation shall assist and act for the district in implementing a project or providing a service authorized by this chapter or Chapter 431, Transportation Code.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board may appoint a director of the district's board to serve as a director of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 507 (S.B. 1033), Sec. 6, eff. June 19, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

**Sec. 3831.151. USE OF DISTRICT MONEY.** The district may use district money for any district purpose, including:

(1) to pay for projects; and

(2) to pay district obligations.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

**Sec. 3831.152. INVESTMENTS.** (a) The district may invest money the district receives under this chapter.

(b) The district may hire a person to invest district money on terms the board considers advisable.
Sec. 3831.153. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.154. DEPOSITORY INSTITUTION. The district may select one or more financial institutions to serve as a depository bank for the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.155. ACCOUNTS; FISCAL YEAR. (a) The district may establish an accounting system for the district for each year.
(b) The district may establish a fiscal year for the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.156. PROJECT FUND. (a) The district by resolution shall establish a project fund.
(b) The district may establish separate accounts in the project fund.
(c) The district shall deposit into the project fund all money acquired or received by the district, including:
   (1) the proceeds from an ad valorem tax imposed by the district; and
   (2) revenue from the sale of district obligations.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Sec. 3831.157. AUDIT. (a) The district shall enter into a written contract with an independent certified public accountant or a certified public accounting firm for an annual audit of the district's affairs and financial records.

(b) The district shall make the audit available for inspection by the public and the City of Temple.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.158. ASSESSMENTS. The district may impose an assessment on property in the district, including an assessment on a leasehold interest, by agreement with the property owner.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.159. LIABILITIES. The district may incur liabilities, including a liability incurred by:

(1) borrowing money on terms the board determines; and
(2) issuing obligations under Section 3831.160.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.160. OBLIGATIONS. (a) The district may issue obligations, including revenue bonds, to pay the costs of a project located inside or outside the boundaries of the district. The proceeds of bonds or other obligations that are payable wholly or partly from ad valorem taxes may not be used for a project located outside the district.

(b) In exercising the district's borrowing power, the district may issue an obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) Revenue bonds or other district obligations may be payable
from and secured by:

(1) revenue derived from the district's operations, including district projects;
(2) proceeds of a grant or other funds received by the district;
(3) revenue derived from a lease or contract entered into by the district; or
(4) assessments collected by the district.

(d) Revenue bonds or other district obligations may be secured by a mortgage or deed of trust lien on the district's interest in a project or property, including a fee title or a leasehold interest.

(e) The district may issue general obligation bonds if general obligation bonds are authorized by an election held under Subchapter F.

(f) For purposes of this chapter, the district:
(1) is an issuer under Chapter 1371, Government Code, and may issue bonds or obligations under that chapter; and
(2) may issue refunding bonds or obligations under Chapter 1207, Government Code.

(g) Except for water, sewer, or drainage projects financed by taxes imposed by the district, the district may issue bonds or other obligations and pursue projects without an order of the Texas Commission on Environmental Quality under Section 49.181(a), Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 507 (S.B. 1033), Sec. 7, eff. June 19, 2009.

SUBCHAPTER E. AD VALOREM TAX

Sec. 3831.201. IMPOSITION OF AD VALOREM TAX. If authorized at an election held under Section 3831.255, the district by order:
(1) may impose an annual ad valorem tax on taxable property in the district to pay for projects or district operating expenses; and
(2) shall impose an ad valorem tax to pay for obligations that are payable wholly or partly from ad valorem taxes.
Sec. 3831.202. TAX RATE. (a) The board shall determine the tax rate.
(b) The tax rate may not exceed 15 cents per $100 of assessed valuation of taxable property in the district.

Sec. 3831.203. TAX ASSESSOR-COLLECTOR. The board may:
(1) appoint a district tax assessor-collector; or
(2) contract for the assessment and collection of taxes as provided by the Tax Code.

SUBCHAPTER F. ELECTION TO ALLOW TAXING OR RELATED OBLIGATION AUTHORITY

Sec. 3831.251. APPLICATION FOR PETITION TO CALL ELECTION. (a) If 10 or more registered voters of the city of Temple file a written application with the city for a petition to authorize the district to impose an ad valorem tax, the city shall issue to the applicants a petition to be circulated among the registered voters of the city for the signatures of voters who want to authorize the district to impose an ad valorem tax.
(b) At the request of petitioners under this section, a petition for a local option election to determine whether the district may impose an ad valorem tax may also provide that at the same election the district shall be authorized to issue obligations payable wholly or partly from that ad valorem tax as permitted under Section 3831.160.
(c) The application for the petition must be titled:
"Application for Local Option Election Petition to Enable the Temple Health and Bioscience Economic Development District to Impose an Ad Valorem Tax not to Exceed 15 Cents per $100 Valuation of all Taxable Property in the District."

(d) The application must contain a statement just before the signatures of the applicants that reads substantially as follows: "The petitioners whose signatures appear on this petition intend that the Temple Health and Bioscience Economic Development District be enabled to impose an ad valorem tax not to exceed 15 cents per $100 valuation of all taxable property in the district."

(e) If the petition also seeks an election to authorize the issuance of obligations by the district payable wholly or partly from ad valorem taxes, the statement: "and to Issue Bonds Payable in Whole or in Part from the Ad Valorem Tax" must be appended to the title specified by Subsection (c).

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.252. FORM AND COPIES OF PETITION. (a) Each petition issued under Section 3831.251 must show the date it is issued by the City of Temple and be serially numbered. Each page of the petition must bear the same date and serial number.

(b) The City of Temple shall supply as many copies of the petition as required by the applicants but not to exceed more than one page of the petition for every 10 registered voters in the city. Each copy shall bear the date, number, and seal on each page as required on the original petition.

(c) The City of Temple shall keep a copy of each petition and a record of the applicants for that petition.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.253. FILING AND VERIFICATION OF PETITION. (a) The applicants requesting a petition under Section 3831.251 may file a request with the City of Temple for the petition to be verified. The applicants must file the request not later than the 120th day after the date the petition is issued by the City of Temple.
(b) If the applicants file a request for verification of the petition, the City of Temple shall examine the names of the signers of petitions and determine whether the signers of the petition were registered voters of the city at the time the petition was issued.

(c) The City of Temple shall certify to the city council the number of registered voters signing the petition not later than the 15th day after the date the request for verification was filed.

(d) A signature may not be counted under this section if there is good reason to believe that:

(1) the signature is not the actual signature of the purported signer;
(2) the voter registration certificate number is not correct;
(3) the signature duplicates a name or the handwriting used in any other signature on the petition; or
(4) the signer's residence address cannot be verified.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.254. ELECTION ORDER. (a) Not later than the date of the second regular session of the city council convened after a petition has been verified under Section 3831.253, the city council shall order an election to be held in the district on the proposition stated in the petition if the petition contains:

(1) the signatures of a number of registered voters of the city of Temple equal to at least 10 percent of the registered voters of the city who voted in the most recent general election in the city;
(2) a notation showing the residence address of each signer;
(3) each signer's voter registration certificate number; and
(4) each signer's printed name.

(b) The following shall be entered in the city council minutes:

(1) the dates a petition is presented to and verified by the City of Temple;
(2) the names of the signers; and
(3) the action taken on the petition.
(c) The order issued under Subsection (a) must state that the district's boundaries are coextensive with the boundaries of the city of Temple and that the election will be held within those boundaries.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.255. NOTICE AND CONDUCT OF ELECTION; RESULTS. (a) The city council shall give notice of an election ordered under Section 3831.254 by publishing a substantial copy of the election order once a week for two consecutive weeks in a newspaper with general circulation in the city of Temple.

(b) The first publication of the notice must appear before the 14th day before the date set for the election. If the election order includes the issue of whether the district may issue obligations, the first publication of the notice must appear before the 31st day before the date set for the election.

(c) The ballot for an election held under this section must be printed to permit voting for or against the following proposition, as appropriate according to the verified petition:

(1) "Authorizing the imposition of an ad valorem tax not to exceed the rate of 15 cents per $100 valuation of all taxable property in the district"; or

(2) "Authorizing the imposition of an ad valorem tax not to exceed the rate of 15 cents per $100 valuation of all taxable property in the district and to issue bonds payable in whole or in part from the ad valorem tax."

(d) The district may impose the tax if a majority of the district voters voting at the election favor the proposition stated in Subsection (c)(1) or (2). The district may issue obligations payable wholly or partly from ad valorem taxes if a majority of the district voters voting at the election favor the proposition stated in Subsection (c)(2).

(e) If a majority of the district voters voting at the election vote against the proposition, another election on the proposition may not be held before the first anniversary of the date of the most recent election concerning the proposition.

(f) The City of Temple shall hold an election provided under this section on the earliest uniform election date under Section
41.001, Election Code, that occurs after the city council adopts the order calling the election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER G. DISSOLUTION OF DISTRICT

Sec. 3831.301. DISSOLUTION OF DISTRICT. The district may be dissolved only as provided by this subchapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.302. DISSOLUTION BY ORDER OF CITY COUNCIL. (a) The board may petition the city council to dissolve the district if the board finds that the district:

(1) has not issued obligations under Section 3831.160 and that the purposes of the district are impracticable, or reasonably and economically cannot be successful or accomplished; or

(2) has paid, or otherwise provided for payment of, all obligations issued under Section 3831.160 and that the district purposes have been accomplished.

(b) On receipt of the petition, the city council shall hold a public hearing to determine whether the dissolution of the district serves the best interests of the City of Temple and of the residents of the city.

(c) After the hearing, the city council shall:

(1) enter in the council records the appropriate findings and an order dissolving the district if the city council unanimously determines that the best interests of the City of Temple and of the residents of the city will be served by dissolving the district; or

(2) enter an order providing that the district is not dissolved if the city council does not unanimously determine that the best interests of the City of Temple and of the residents of the city will be served by dissolving the district.

(d) On dissolution of the district under this section:

(1) all money and other property of the district are transferred to the City of Temple; and

(2) the City of Temple shall assume any remaining district
contracts or other district obligations.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.303. DISSOLUTION OF DISTRICT ON AGREEMENT WITH CITY. (a) The district may be dissolved by agreement between the city council and the board. (b) On dissolution of the district under this section: (1) all money and other property of the district are transferred to the City of Temple; and (2) the City of Temple shall assume the district's responsibilities regarding all district contracts, debts, and obligations.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3831.304. EFFECT OF DISSOLUTION ON TAXES. On dissolution of the district, any taxes imposed by the district are abolished.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

CHAPTER 3832. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 3832.001. DEFINITIONS. In this chapter: (1) "Board" means the board of directors of the district. (2) "District" means Waller County Road Improvement District No. 1.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3832.002. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO. 1. Waller County Road Improvement District No. 1 is a special district created under Section 52, Article III, and Section 59, Article XVI,
Sec. 3832.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3832.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The present and prospective traffic congestion in the district and the safety of pedestrians and the limited availability of funds require the promotion and development of public transportation and pedestrian facilities and systems, and the district will serve the public purpose of securing expanded and improved transportation and pedestrian facilities and systems.

(e) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3832.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1157, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 1157, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff.
Sec. 3832.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes set forth in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3832.007. EFFECT ON BROOKSHIRE-KATY DRAINAGE DISTRICT. The powers granted by this chapter do not affect the powers of the Brookshire-Katy Drainage District of Waller County.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3832.051. COMPOSITION; TERMS. The district is governed by a board of five elected directors. Directors serve staggered terms of four years.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3832.052. QUALIFICATIONS. (a) A person must meet the qualifications of Section 375.063, Local Government Code, to serve as a district director.

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3832.053. ELECTION DATE. Elections for directors shall be held on the uniform election date in May in even-numbered years.
Sec. 3832.101. POWERS OF DISTRICT. The district has all powers provided by the general laws on road districts and road utility districts created under Section 52, Article III, Texas Constitution, and conservation and reclamation districts and municipal management districts created under Section 59, Article XVI, Texas Constitution, including:

(1) Chapters 257 and 441, Transportation Code;
(2) Chapter 375, Local Government Code; and
(3) Chapters 49 and 54, Water Code.

Sec. 3832.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3832.103. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a municipality or county to provide law enforcement services in the district for a fee.

Sec. 3832.104. UTILITIES. (a) The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

(b) The district shall bear the sole expense of the relocation, rerouting, or removal of electric, gas, water, sewer, communications, or other public utilities as required or requested by the district in the exercise of its powers under this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3832.151. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee and use the proceeds of the tax, assessment, or impact fee for:

(1) any district purpose, including the payment of debt or other contractual obligations; or

(2) the payment of maintenance and operating expenses.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3832.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3832.153. MAINTENANCE AND OPERATION TAX. (a) The
district may impose an annual ad valorem tax on taxable property in
the district for any district purpose, including to:

(1) maintain and operate the district, including
improvements constructed or acquired by the district; or
(2) provide a service.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3832.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3832.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project through an assessment under this chapter unless a written petition requesting that service or improvement has been filed with the board.
(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located; or

(2) at least 25 owners of land in the district that will be subject to the assessment, if more than 25 persons own land in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3832.156. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

For contingent expiration of this chapter, see Section 3833.004.

CHAPTER 3833. ESPADA DEVELOPMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3833.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Bond" means any type of interest-bearing obligation, including a bond, note, bond anticipation note, certificate of participation, or other similar evidence of indebtedness.

(3) "City" means the City of San Antonio.

(4) "District" means the Espada Development District.
Sec. 3833.002. ESPADA DEVELOPMENT DISTRICT. The Espada Development District is a special district created under Sections 52 and 52-a, Article III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.003. MUNICIPAL CONSENT REQUIRED; CONDITIONS. (a) Unless the governing body of the city by resolution consents to the creation of the district before January 1, 2007:

(1) the board may not hold an election to confirm the creation of the district and to elect directors under Section 3833.024;

(2) the district is dissolved on that date; and

(3) this chapter expires September 1, 2008.

(b) The governing body of the city by resolution may consent or withhold consent to the creation of the district and the governing body may condition its consent on any terms expressly provided by the resolution. The governing body may include as a condition to its consent a requirement that certain territory be added to or excluded from the district before the confirmation election.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.004. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 3833.024 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that:

(A) the district shall pay any debts incurred;

(B) the district shall transfer any assets that remain after the payment of debts to the city; and

(C) the organization of the district is maintained
until all debts are paid and remaining assets are transferred; and 
(2) this chapter expires September 1, 2012.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.005. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

(b) The creation of the district is necessary to develop, encourage, and maintain employment, commerce, economic development, and the public welfare of residents, employers, employees, and consumers in the district and adjacent areas.

(c) Except as provided by this chapter, the creation of the district may not be interpreted to relieve the city from providing services to the area of the district. The district is created to supplement and not to supplant the city services provided in the area of the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(c) The district will provide needed funding for the district to maintain and enhance the economic health and vitality of the district territory as a community and business center.

(d) The district may not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June
Sec. 3833.008. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTIONS. The district shall comply with all terms and conditions of any resolution adopted by the governing body of the city that consents to the creation of the district or to the inclusion or exclusion of territory in the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.009. APPLICABILITY OF OTHER WATER DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 49, Water Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.
Sec. 3833.010. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3833.051. BOARD OF DIRECTORS; TERMS. The district is governed by a board of five directors who serve staggered four-year terms, with two or three directors' terms expiring June 1 of each even-numbered year.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.052. QUALIFICATIONS. (a) To be qualified to serve as a director, a person must be at least 18 years of age and be eligible to vote in the:
   (1) city, if fewer than 1,000 individuals reside in the district; or
   (2) district, if 1,000 or more individuals reside in the district.
   (b) A change in the number of individuals who reside in the district does not affect a director's entitlement to serve out the remainder of the director's term.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint the district's directors.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.054. NONVOTING DIRECTORS. (a) The following persons
serve as nonvoting directors:

(1) the directors of the following departments of the city or a person designated by that director:
(A) finance; and
(B) public works; and
(2) the city manager of the city or a person designated by the city manager.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.055. QUORUM. Nonvoting directors are not counted for purposes of determining whether a quorum is present.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.056. VACANCY. A vacancy on the board is filled for the remainder of the unexpired term in the same manner as the original appointment.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.057. GENERAL VOTING REQUIREMENTS. Except as provided by Section 3833.251, three directors must approve any official district action.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.
Sec. 3833.058. COMPENSATION. A director is not entitled to compensation for service on the board but is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.059. REMOVAL OF DIRECTORS. A board majority may petition the city's governing body to remove a director for misconduct or failure to carry out the director's duties. The governing body, after notice and hearing, may remove the director for the misconduct or failure.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.060. APPLICABILITY OF OTHER WATER DISTRICTS LAW. Subchapter C, Chapter 49, Water Code, applies to the district, except for Sections 49.053, 49.055, and 49.060.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

SUBCHAPTER C. PUBLIC IMPROVEMENTS

Sec. 3833.101. GENERAL IMPROVEMENTS POWERS; LIMIT. (a) The district has all powers necessary to acquire, construct, and maintain improvements specified by this subchapter.

(b) The district may not exercise a power granted by this subchapter outside the district's boundaries.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.102. WATER-RELATED IMPROVEMENTS. The district may acquire, construct, or maintain stormwater, drainage and detention facilities, sanitary sewer lines and pump stations, and water lines
and pump stations.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.103. ROAD-RELATED IMPROVEMENTS; REIMBURSEMENT TO PRIVATE PARTY. (a) The district may acquire, construct, or maintain streets and alleys, including sidewalks, streetscapes, street signs, traffic signals, and street lights.

(b) For construction that occurs after the district's creation, the district may reimburse a private person for money spent to construct a road or related improvement that will be transferred under Subchapter D or to purchase a road or improvement constructed by the private person.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.104. TRANSIT FACILITIES. The district may acquire, construct, or maintain transit facilities.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.105. PUBLIC PARKING FACILITIES. The district may acquire, construct, or maintain public parking facilities.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.106. PUBLIC ART. The district may acquire, construct, or maintain public art.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.
Sec. 3833.107.  PARKS AND OPEN SPACES.  The district may acquire, construct, or maintain parks and open spaces.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.108.  PEDESTRIAN LINKAGES.  The district may acquire, construct, or maintain pedestrian linkages.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.109.  LIBRARY, POLICE STATION, FIRE STATION; CITY CONSENT REQUIRED.  After obtaining the city's consent by resolution, the district may acquire, construct, and maintain a library, police station, or a fire station.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.110.  GAS AND ELECTRIC TRANSMISSION LINES.  The district may acquire, construct, or maintain gas or electric transmission lines and related appurtenances.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.111.  CITY CONSENT REQUIRED FOR CERTAIN ROADS AND CITY PROPERTY.  Before the district begins a project that involves the use of the rights-of-way of streets, roads, or highways or the use of municipal land or any easements granted by the city, the district must obtain the approval of the city's governing body in the form of a resolution approving the plans and specifications of the project, including a substantial alteration to a plan or specification.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.
Sec. 3833.112. APPLICATION OF INTERLOCAL COOPERATION ACT. For purposes of Chapter 791, Government Code, the implementation of an improvement under this subchapter is a governmental function or service.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.113. ACQUISITION OF CERTAIN ENCUMBERED PROPERTY PROHIBITED. The district may not acquire an improvement under this subchapter that has a lien on it or is otherwise encumbered.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

SUBCHAPTER D. TRANSFER OF PUBLIC IMPROVEMENTS

Sec. 3833.151. TRANSFER OF CERTAIN IMPROVEMENTS REQUIRED. (a) Subject to Section 3833.155, the district shall transfer an improvement as provided by this section when the district acquires or completes the improvement and the receiving entity approves the transfer.

(b) The district shall transfer a:

(1) water line or system, including a pump station or other ancillary improvement, that is located in a portion of the district that is in the certificated service area of the:

(A) San Antonio Water System, to that system; and
(B) Bexar Metropolitan Water District, to that district;

(2) wastewater line or system, including a pump station or other ancillary improvement, to the San Antonio Water System;

(3) library, police station, or fire station to the city;

(4) stormwater, drainage, or detention line or detention facility, to the city;

(5) road, alley, or street, to the city;

(6) sidewalk, to the city;

(7) streetscape, to the city;

(8) street light, to the city;
(9) street sign, to the city;  
(10) traffic signal, to the city;  
(11) pedestrian linkage, to the city; and  
(12) gas or electric transmission lines and related  
appurtenances to CPS Energy.

(c) The district is not required to transfer an improvement  
described by Subsections (b)(4)-(11) if the district and city enter  
into a written agreement that the transfer is not required. The  
district and the city may agree on other terms under this subsection.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June  
17, 2006.

Sec. 3833.152. CONSTRUCTION STANDARDS. A public improvement  
required to be transferred under this subchapter must be constructed  
in compliance with the requirements and specifications established by  
the appropriate receiving entity at the time construction of the  
improvement begins.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June  
17, 2006.

Sec. 3833.153. OPTIONAL TRANSFER FOR CERTAIN IMPROVEMENTS. (a)  
The district may retain bus terminals or may transfer the bus  
terminals to the VIA Metropolitan Transit Authority or any successor  
regional transportation authority or district with the agreement of  
the authority.

(b) The district may retain public parking areas, parks and  
open space improvements and public art, or may transfer these to the  
city with the agreement of the city.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June  
17, 2006.

Sec. 3833.154. PARTIAL TRANSFER IN STAGES. The district may  
transfer part of an improvement as provided by this subchapter if the  
district constructs the improvement in stages.
Sec. 3833.155. TRANSFER WITHOUT DEBT REQUIRED. The district shall convey all improvements that it is required to transfer under this subchapter without debt or other encumbrance.

Sec. 3833.156. OWNERSHIP AND RESPONSIBILITY AFTER TRANSFER. (a) After a transfer under this subchapter, the receiving entity owns the improvement and has sole jurisdiction and control over the improvement. On acceptance of the transfer, the receiving entity is responsible for all maintenance of the public improvement and the district is not responsible for the public improvement or its maintenance.

(b) This section does not affect any authority of the receiving entity to alter, relocate, close, or discontinue maintenance of an improvement.

Sec. 3833.157. CONTRACT WITH DISTRICT TO MAINTAIN IMPROVEMENT AFTER TRANSFER. The district may contract with the receiving entity to provide a higher level of maintenance to an improvement transferred under this subchapter. The district shall pay the receiving entity for the higher level of maintenance.

Sec. 3833.158. EFFECT OF CONVEYANCE ON DISTRICT DEBT. Conveyance of a public improvement to the appropriate entity under this subchapter does not affect:

(1) the sole responsibility of the district to pay in full
the principal of and interest and any premium on any outstanding
district bonds or other debt; or

(2) the district's responsibility to perform the
obligations provided by the orders or resolutions authorizing the
bonds or other debt.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June
17, 2006.

SUBCHAPTER E. OTHER GENERAL POWERS AND DUTIES

Sec. 3833.201. CONTRACTS. In addition to the powers granted by
Section 49.057, Water Code, the district may contract with any person
for any district purpose, including governmental entities, under
terms and conditions the board considers advisable.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June
17, 2006.


Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June
17, 2006.

Sec. 3833.203. GRANTS; LOANS. The district may accept a grant
or loan from any person for any district purpose.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June
17, 2006.

Sec. 3833.204. PROPERTY. The district may acquire or dispose
of any property right in any manner necessary, convenient, or useful
to exercise a district power.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June
17, 2006.
Sec. 3833.205. SURPLUS PROPERTY. (a) The district may sell, lease, or otherwise dispose of any property right that is not necessary for or, if the property right is a lease, that is inconsistent with the efficient operation and maintenance of the district's improvements.

(b) The district may sell, lease, or otherwise dispose of any surplus property that is not necessary to implement a district purpose.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.206. RECREATIONAL FACILITIES. In addition to the district's powers under Section 3833.106 or 3833.107, Subchapter N, Chapter 49, Water Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.207. HEARINGS. The district may conduct hearings and take testimony and proof, under oath or affirmation, at public hearings, on any matter necessary to implement a district purpose.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.208. NOTICES, REPORTS, AND BANKRUPTCY. (a) Except as provided by Subsection (b), Subchapter M, Chapter 49, Water Code, applies to the district.

(b) Section 49.454, Water Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.209. ANNEXATION OF DEVELOPER'S PROPERTY; TAX INCREMENT REINVESTMENT ZONE; SERVICES. (a) In this section, "developer" means a person who owns a tract of land in the district
and who has divided or proposes to divide the tract into two or more parts to lay out a subdivision of the tract, including an addition to a municipality, or to lay out suburban, building, or other lots, and to lay out streets, alleys, squares, parks, or other parts of the tract intended to be dedicated to public use or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts.

(b) The developer may petition the city to annex the developer's property in the district and for the formation of a tax increment reinvestment zone in the annexed property under Chapter 311, Tax Code.

(c) The developer and the city may negotiate the terms and levels of services to be provided in the annexed area based on the developer's projected development plan. The plan may provide that one or more city services is not required unless and until the property actually develops sufficiently to justify the service.

(d) In negotiating an agreement for services under this section, the parties may agree to:

   (1) any term allowed under Section 42.044 or 43.0751, Local Government Code, regardless of whether the city or the area proposed for annexation would have otherwise been able to agree to the term under those sections; and

   (2) any other provision to which both parties agree to satisfactorily resolve any dispute between the parties.

(e) The terms and conditions of the negotiated service plan bind the city for the period provided by Section 43.056(1), Local Government Code, and the developer, the developer's heirs, successors, and assigns, and any person taking title to all or a portion of the property annexed under the annexation petition for that period.

(f) The developer and the city may amend the negotiated service plan. An amendment binds only the property owned or controlled by the developer at the time of the approval of the amendment by the developer and the city.

(g) The developer and the city shall forward the negotiated service plan and any later amendments to the board.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.
Sec. 3833.210. PROHIBITION ON UTILITY SERVICES. The district may not provide electric, gas, water, sewer, drainage, or flood control services to residential, retail, or commercial customers in or outside the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.211. USE AND ALTERATION OF PUBLIC WAYS. (a) The district may not change, alter, or damage the property, including facilities, of the state or any other governmental entity or of owners providing public services, or disrupt those services being provided by others, or otherwise inconvenience the owners of that property or those facilities without having first obtained the written consent of those owners.

(b) If the owners of the property, including facilities, desire to handle the change, alteration, or damage of the property, including facilities, with their own personnel or to have the work done by contractors of their own choosing, the district may agree with the owners to provide for the necessary changes, alterations, or damage of the property, including facilities, by the owners or contractors and the reimbursement by the district to those owners of the costs incurred by the owners in making those changes, alterations, or damages or having them accomplished by contractors.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.212. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

**SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS**

Sec. 3833.251. BOARD VOTE REQUIRED TO IMPOSE TAXES OR ISSUE BONDS. The district may not impose a tax or issue bonds unless four directors vote in favor of the tax or the issuance of bonds.
Sec. 3833.252. BORROWING MONEY. The district may borrow money on terms and conditions the board determines.

Sec. 3833.253. APPLICABILITY OF WATER DISTRICTS LAW ON GENERAL FISCAL PROVISIONS. (a) Except as provided by Subsection (b), Subchapter E, Chapter 49, Water Code, applies to the district.

(b) Section 49.153, Water Code, does not apply to the district.

Sec. 3833.254. INSURANCE. The district may obtain insurance and pay premiums to insurers for insurance of any type in amounts considered necessary or advisable by the board.

Sec. 3833.255. DISADVANTAGED BUSINESSES. Section 375.222, Local Government Code, applies to the district.

Sec. 3833.256. AUDIT. (a) The board shall have the district's fiscal accounts and records audited annually. The audit must be completed not later than the 120th day after the date on which the district's fiscal year ends.

(b) The person who performs the audit must hold a license issued under Chapter 901, Occupations Code.
(c) The audit must be performed according to generally accepted auditing standards.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.257. STATE AUDITOR. The state auditor may audit the financial transactions of the district if the state auditor determines the audit is necessary.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.258. FINANCIAL REPORTS. (a) The district shall keep a full and itemized account of district money. These accounts must be available for audit.

(b) Financial statements must be prepared in accordance with generally accepted accounting principles.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.259. APPLICABILITY OF WATER DISTRICTS LAW ON CONSTRUCTION, EQUIPMENT, MATERIALS, AND MACHINERY CONTRACTS. (a) Except as provided by Subsection (b), Subchapter I, Chapter 49, Water Code, applies to the district.

(b) Section 49.279, Water Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.260. PREVAILING WAGE RATES; CITY. The district shall use the prevailing wage rate in the city for purposes of complying with Section 2258.022, Government Code.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.
Sec. 3833.261. HIGH TECHNOLOGY PROCUREMENT. In making a high technology procurement, the district must comply with Sections 252.021(a) and 252.042, Local Government Code, in the same manner as a municipality governed by those sections.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.262. ASSESSMENTS OR IMPACT FEES NOT AUTHORIZED. The district may not impose an assessment or impact fee.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

SUBCHAPTER G. TAXES

Sec. 3833.301. AD VALOREM TAXES FOR MAINTENANCE AND OPERATION OR TO PAY BONDS. Section 49.107, Water Code, and Subchapter G, Chapter 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.302. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in a tax increment reinvestment zone created by the city under Chapter 311, Tax Code.

(b) If the city includes all or part of the district in a tax increment reinvestment zone, the city may, for the area in the district, delegate to the district:

(1) all powers provided to the city under Chapter 311, Tax Code; or

(2) the power to enter into an interlocal agreement with an overlapping taxing unit for payment of all or a portion of the tax increment of the unit to the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.
Sec. 3833.303. NO SALES AND USE TAX. The district may not impose a sales or use tax.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.304. NO TAX PHASE-INS AND ABATEMENTS. The district may not grant a tax abatement or phase-in under Chapter 311 or 312, Tax Code, or any other law.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

SUBCHAPTER H. BONDS

Sec. 3833.351. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds payable wholly or partly from ad valorem taxes, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) The district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.352. CITY CONSENT FOR PUBLIC IMPROVEMENTS BONDS. Before issuing any bonds in connection with an improvement under Subchapter C or Section 3833.206, the district must obtain the approval of the city's governing body by a resolution approving:

(1) the issuance of the bonds; and

(2) the plans and specifications of the improvement, including any substantial alteration to a plan or specification.
Sec. 3833.353. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 3833.452, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.354. APPLICABILITY OF MUNICIPAL UTILITY DISTRICTS BONDS LAW. Sections 54.510, 54.512, 54.518, 54.520, and 54.521, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.355. BOND SALES. Section 49.183, Water Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.356. BOND ELECTIONS; GENERAL. Section 49.106, Water Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.357. BOND ELECTION REQUIRED. The district may not issue bonds payable in whole or in part from taxes unless the issuance is approved by a majority of the registered voters in the district voting at an election held for that purpose.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.
Sec. 3833.358. BOND ELECTION NOT REQUIRED. The district may issue bonds payable only from sources other than taxes without an election.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.359. PLEDGES. (a) The district may pledge to the payment of the principal or interest or any other amounts due under district bonds all or any part of:

(1) district taxes;
(2) revenue from a public improvement financed under this chapter, except as provided by Subsection (c); or
(3) money from grants, donations, or other income or funds received or to be received from any public or private entity.

(b) The district shall set and collect the pledged funds in amounts that are at least sufficient, with any other pledged resources, to provide for all payments of principal, interest, and any other amounts due or required in connection with the bonds and, to the extent required by the order or resolution authorizing the issuance of the bonds, to provide for the payment of expenses in connection with the bonds and to pay operation, maintenance, and other expenses in connection with the public improvements undertaken by the district.

(c) The district may not encumber, or pledge revenue under this section from, a public improvement that the district may be required to transfer under Section 3833.151.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

SUBCHAPTER I. ADDITIONAL ELECTION PROVISIONS
Sec. 3833.401. TIME OF ELECTION. An election held under this chapter may be held at the same time and in conjunction with any other election.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June
Sec. 3833.402. ELECTION CALLED BY BOARD. The board may call an election for the purpose of voting on any measure.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

SUBCHAPTER J. DISSOLUTION

Sec. 3833.451. DISSOLUTION BY CITY VOTE. The governing body of the city, by a vote of not less than two-thirds of its membership, may by resolution dissolve the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

Sec. 3833.452. ASSETS AND LIABILITIES TO CITY. After a dissolution under this subchapter, the city assumes all debts and assets of the district.

Added by Acts 2005, 79th Leg., Ch. 468 (S.B. 1892), Sec. 1, eff. June 17, 2006.

CHAPTER 3834. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 5

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3834.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Harris County Improvement District No. 5.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 5. The Harris County Improvement District No. 5 is a special district created under Section 59, Article XVI, Texas Constitution.
Sec. 3834.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Sec. 3834.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential neighborhood and a commercially viable area; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.005. DISTRICT TERRITORY. The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:
(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.
Sec. 3834.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3834.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 11 voting directors who serve staggered terms of four years, with five or six directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 directors.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.052. QUALIFICATIONS. (a) Three voting directors on the board must reside in a residential area adjacent to the district and eight voting directors must represent commercial property owners or tenants in the district.

(b) If the total number of voting directors of the board is increased or reduced, the board must maintain the same percentage of representation of residential and commercial areas on the board.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.053. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board. A person is appointed if a
majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.054. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the following departments of the City of Houston or a person designated by that director:

(A) parks and recreation;

(B) planning and development; and

(C) public works; and

(2) the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.055. QUORUM. (a) Section 375.071, Local Government Code, does not apply to the district.

(b) A majority of the board is a quorum.

(c) Nonvoting directors and vacant director positions are not counted for the purposes of establishing a board quorum.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.056. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and
(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or
(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3834.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Chapter 505, Local Government Code; and
(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.57, eff. April 1, 2009.
Sec. 3834.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.105. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of
the City of Houston's governing body for:

(1) the issuance of a bond for each improvement project;
(2) the plans and specifications of the improvement project financed by the bond; and
(3) the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and
(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.107. REMOVAL OF DANGEROUS BUILDINGS. (a) The district may cooperate with the City of Houston to have the City of Houston demolish and remove dangerous buildings in or outside the district as provided by this section.

(b) The district may cooperate with the City of Houston to demolish and remove dangerous buildings outside the district if:

(1) the district makes a determination that demolition and removal would benefit the district; and
(2) the City of Houston agrees.

(c) The district may borrow money to finance the demolition and removal of dangerous buildings under this section without complying with Section 3834.152.
(d) The City of Houston may reimburse the district for all costs financed by the district from:

(1) the proceeds of foreclosure on any demolition lien on the property; or

(2) any other money the city collects or appropriates for the costs.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.108. NOTICE. Notice required by Chapter 375, Local Government Code, may be sent by first class U.S. Mail rather than certified mail, return receipt requested, if the board of directors determines that first class mail is preferable and provides adequate notice. If the board determines that first class mail is preferable, the board must publish notice in a newspaper of general circulation in the district at least 20 days before the event of which the district is giving notice.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.109. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.110. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1082 (H.B. 4771), Sec. 1, eff. June 19, 2009.
Sec. 3834.111. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
   (1) make loans and grants of public money; and
   (2) provide district personnel and services.
(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1082 (H.B. 4771), Sec. 1, eff. June 19, 2009.

Sec. 3834.112. TAX INCREMENT REINVESTMENT ZONES. (a) The district is authorized to establish and implement tax increment reinvestment zones as provided in Chapter 311, Tax Code, in the same manner as a municipality.
(b) All or any part of the district may be included in a tax increment reinvestment zone, regardless of the percentage of total value the land represents to the district as a whole, or whether the land is used for residential purposes.
(c) Section 311.006, Tax Code, does not apply to a reinvestment zone that contains land within the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1082 (H.B. 4771), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. FINANCIAL PROVISIONS
Sec. 3834.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.152. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or
improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition requesting a project financed by assessment must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of real property in the district that will be subject to the assessment, if more than 50 persons own real property subject to the assessment in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.153. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3834.157, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) administer the district;

(2) maintain and operate the district;

(3) construct or acquire improvements; or

(4) provide a service.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

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

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

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

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.156. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.
(b) The district may borrow money according to terms and conditions determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 1082 (H.B. 4771), Sec. 2, eff. June 19, 2009.

Sec. 3834.157. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June 17, 2005.

Sec. 3834.159. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $50,000.

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June
17, 2005.  
Amended by:  
Acts 2009, 81st Leg., R.S., Ch. 1082 (H.B. 4771), Sec. 3, eff.  

SUBCHAPTER E. DISSOLUTION  
Sec. 3834.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.  
(a) The board may dissolve the district regardless of whether the  
district has debt. Section 375.264, Local Government Code, does not  
apply to the district.  
(b) If the district has debt when it is dissolved, the district  
shall remain in existence solely for the purpose of discharging its  
debts. The dissolution is effective when all debts have been  
discharged.  

Added by Acts 2005, 79th Leg., Ch. 861 (S.B. 993), Sec. 1, eff. June  
17, 2005.  

SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED  
PROPERTY  
Sec. 3834.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR  
DESIGNATED PROPERTY. The district may define areas or designate  
certain property of the district to pay for improvements, facilities,  
or services that primarily benefit that area or property and do not  
generally and directly benefit the district as a whole.  

Added by Acts 2009, 81st Leg., R.S., Ch. 1082 (H.B. 4771), Sec. 4,  

Sec. 3834.252. PROCEDURE FOR ELECTION. (a) Before the  
district may impose an ad valorem tax or issue bonds payable from ad  
valorem taxes of the area defined or property designated under  
Section 3834.251, the board must call and hold an election as  
provided by Section 3834.157 only in the defined area or in the  
boundaries of the designated property.  
(b) The board may submit the proposition to the voters on the  
same ballot to be used in another election.
Sec. 3834.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and by order shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 1082 (H.B. 4771), Sec. 4, eff. June 19, 2009.

Sec. 3834.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described in Section 3834.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1082 (H.B. 4771), Sec. 4, eff. June 19, 2009.

Sec. 3834.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3834.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1082 (H.B. 4771), Sec. 4, eff. June 19, 2009.
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3835.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the West Fort Bend Management District.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.002. WEST FORT BEND MANAGEMENT DISTRICT. The West Fort Bend Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the cities of Richmond and Rosenberg, Fort Bend County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) The creation of the district will establish an economic climate that encourages sustainable growth and improves the quality of life of citizens.

(d) This chapter and the creation of the district may not be interpreted to relieve Fort Bend County and the Cities of Richmond and Rosenberg from providing the level of services provided as of the effective date of the Act enacting this chapter, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.
Sec. 3835.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

1. Further the public purposes of developing and diversifying the economy of the state;
2. Eliminate unemployment and underemployment; and
3. Develop or expand transportation and commerce.

(d) The district will:

1. Promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2. Provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
3. Promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.
Sec. 3835.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by a municipality under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by a municipality under Chapter 312, Tax Code; or
(3) an enterprise zone created by a municipality under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.
Sec. 3835.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3835.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.052. APPOINTMENT OF DIRECTORS. (a) From persons recommended by the board:

(1) the City of Richmond shall appoint two voting directors;

(2) the City of Rosenberg shall appoint two voting directors; and

(3) the cities shall jointly appoint one voting director.

(b) For an appointment under Subsection (a)(1) or (2), a person is appointed if a majority of the members of the governing body of the city, including the mayor, vote to appoint that person. For an appointment under Subsection (a)(3), a person is appointed if a majority of the members of the governing body of each city, including the mayor, vote to appoint that person.

(c) If the board increases the number of voting directors from five, an equal number of directors must be appointed by the Cities of Richmond and Rosenberg. The remaining director, if any, must be appointed jointly by the cities as provided by this section.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June
Sec. 3835.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.054. QUORUM. For purposes of determining the requirements for a quorum, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3835.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter; and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.58, eff. April 1, 2009.

Sec. 3835.102. POWER TO ESTABLISH DEVELOPMENT STANDARDS AND GUIDELINES; DISSOLUTION. (a) The board may establish architectural
and landscaping standards and guidelines, and may require new
construction, development, or redevelopment in the district to comply
with those standards and guidelines. The board may not establish
standards or guidelines under this section unless the governing
bodies of the cities of Richmond and Rosenberg each consent by
resolution or ordinance to the establishment of the standards or
guidelines.

(b) A standard or guideline established by the board under this
section is in addition to regulations of the City of Richmond or
Rosenberg. To the extent of any conflict between a board standard or
guideline established under this section and a regulation of the City
of Richmond or Rosenberg, the more restrictive standard, guideline,
or regulation controls.

(c) The board may provide in a standard or guideline that if
the district dissolves, the restriction in the standard or guideline
continues in effect after the dissolution as a regulation of the city
with jurisdiction over the territory to which the standard or
guideline applies until modified or repealed by the governing body of
the City of Richmond or Rosenberg, as appropriate.

(d) The district may not regulate land use.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June
17, 2005.

Sec. 3835.103. NONPROFIT CORPORATION. (a) The board by
resolution may authorize the creation of a nonprofit corporation to
assist and act for the district in implementing a project or
providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of
this chapter to be a local government corporation created under
Chapter 431, Transportation Code; and
(2) may implement any project and provide any service
authorized by this chapter.

(c) The board shall appoint the board of directors of the
nonprofit corporation. A director of the corporation is not required
to reside in the district.

(d) The board of directors of the nonprofit corporation shall
serve in the same manner as the board of directors of a local
government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.104. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person. (b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.105. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Fort Bend County or the City of Richmond or Rosenberg for the county or the city to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that: (1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and (2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.109. ANNEXATION IN OR NEAR CITY. (a) In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, and Subchapter J, Chapter 49, Water Code, the district may annex territory in the corporate limits or extraterritorial jurisdictions of the City of Rosenberg or the City of Richmond if:

(1) the governing body of the city requests the annexation of its territory by ordinance or resolution;
(2) the board holds a hearing to consider the city's request; and
(3) the board determines that it is feasible, practicable, and to the district's advantage.

(b) The district may not annex a single-family residence under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 559 (S.B. 1439), Sec. 1, eff. June 16, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3835.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.
Sec. 3835.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Fort Bend County.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified United States mail or an equivalent service that can provide a record of mailing or other delivery.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

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

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

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.156. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3835.160, the district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) promote economic development;
(2) maintain and operate the district;
(3) construct or acquire improvements; or
(4) provide a service.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.157. PROPERTY EXEMPT FROM IMPACT FEES OR ASSESSMENTS. (a) The district may not impose an impact fee or assessment on the
property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

(b) The district may not impose an assessment on single-family residential property.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.

Sec. 3835.158. BONDS AND OTHER OBLIGATIONS. (a) The district may issue by competitive bid or negotiated sale bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district. The sources of money may include economic development money contributed by the City of Richmond or Rosenberg or by an economic development corporation created under the Development Corporation Act (Subtitle C1, Title 12, Local Government Code).

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June 17, 2005.
Amended by:
   Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.59, eff. April 1, 2009.

Sec. 3835.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad
valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad
valorem tax, without limit as to rate or amount, for each year that
all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on
all taxable property in the district in an amount sufficient to:
(A) pay the interest on the bonds or other obligations
as the interest becomes due;
(B) create a sinking fund for the payment of the
principal of the bonds or other obligations when due or the
redemption price at any earlier required redemption date; and
(C) pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June
17, 2005.

Sec. 3835.160. TAX AND BOND ELECTIONS. (a) The district shall
hold an election in the manner provided by Subchapter L, Chapter 375,
Local Government Code, to obtain voter approval before the district
imposes an ad valorem tax or issues bonds payable from ad valorem
taxes.

(b) Section 375.243, Local Government Code, does not apply to
the district.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June
17, 2005.

Sec. 3835.161. CITIES NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.
Except as provided by Section 375.263, Local Government Code, the
Cities of Richmond and Rosenberg are not required to pay a bond,
note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 894 (S.B. 1820), Sec. 1, eff. June
17, 2005.

Sec. 3835.162. COMPETITIVE BIDDING. Section 375.221, Local
Government Code, applies to the district only for a contract that has
a value greater than $25,000.
Sec. 3835.163. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Sec. 3835.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district. (b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

Sec. 3836.001. DEFINITIONS. In this chapter: (1) "Board" means the board of directors of the district. (2) "District" means the Las Damas Management District.

Sec. 3836.002. LAS DAMAS MANAGEMENT DISTRICT. The Las Damas Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3836.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Austin County and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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


Sec. 3836.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment;
(3) develop or expand transportation and commerce;
(4) develop and promote agriculture, irrigation, and viniculture; and
(5) develop and promote tourism.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business, agricultural, and tourism center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty;
(4) promote, market, and advertise the district as a tourist and visitor destination; and
(5) promote public awareness of the district's agricultural resources and products, including the growing and harvesting of grapes and the production and bottling of wine.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.


Sec. 3836.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:
(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.


Sec. 3836.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.


Sec. 3836.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.


Sec. 3836.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3836.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

(c) Sections 375.069 and 375.070, Local Government Code, do not apply to the district.


Sec. 3836.052. APPOINTMENT OF DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.


Sec. 3836.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.


Sec. 3836.054. QUORUM. For purposes of determining the requirements for a quorum, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.
Sec. 3836.101. AGRICULTURAL DEVELOPMENT DISTRICT POWERS. The district may exercise the powers given to an agricultural development district created under Chapter 60, Agriculture Code.

Sec. 3836.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person. (b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3836.103. AUTHORITY TO CONTRACT FOR PUBLIC SAFETY SERVICES. To protect the public interest, the district may contract with a qualified party, including Austin County or any municipality, to provide law enforcement, public safety, fire, or emergency medical services in the district for a fee.

Sec. 3836.104. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a nonprofit or charitable organization that performs a service or provides an activity consistent with the furtherance of a district purpose.
Sec. 3836.105. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code.


Sec. 3836.106. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.


SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3836.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.


Sec. 3836.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.


Sec. 3836.153. PETITION REQUIRED FOR FINANCING SERVICES AND
IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
service or improvement project with assessments under this chapter
unless a written petition requesting that service or improvement has
been filed with the board.

(b) A petition filed under Subsection (a) must be signed by:
(1) the owners of a majority of the assessed value of real
property in the district subject to assessment according to the most
recent certified tax appraisal roll for Austin County; or
(2) at least 25 persons who own real property in the
district, if more than 25 persons own real property in the district
according to the most recent certified tax appraisal roll for Austin
County.

Added by Acts 2007, 80th Leg., R.S., Ch. 821 (S.B. 1969), Sec. 1, eff.

Sec. 3836.154. METHOD OF NOTICE FOR HEARING. The district may
mail the notice required by Section 375.115(c), Local Government
Code, by certified or first-class United States mail. The board
shall determine the method of notice.

Added by Acts 2007, 80th Leg., R.S., Ch. 821 (S.B. 1969), Sec. 1, eff.

Sec. 3836.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The
board by resolution may impose and collect an assessment for any
purpose authorized by this chapter in all or any part of the
district.

(b) An assessment, a reassessment, or an assessment resulting
from an addition to or correction of the assessment roll by the
district, penalties and interest on an assessment or reassessment, an
expense of collection, and reasonable attorney's fees incurred by the
district:
(1) are a first and prior lien against the property
assessed;
(2) are superior to any other lien or claim other than a
lien or claim for county, school district, or municipal ad valorem
taxes; and
(3) are the personal liability of and a charge against the
owners of the property even if the owners are not named in the assessment proceedings.

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

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


Sec. 3836.156. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3836.160, the district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate.


Sec. 3836.157. UTILITY PROPERTY EXEMPT FROM IMPACT FEES OR ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.
Sec. 3836.158. BONDS AND OTHER OBLIGATIONS. (a) The district may issue by competitive bid or negotiated sale bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In addition to any other terms authorized by the board by bond order or resolution, the proceeds of the district's bonds may be used for a reserve fund, credit enhancement, or capitalized interest for the bonds.

Sec. 3836.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.
imposes an ad valorem tax or issues bonds payable from ad valorem taxes.

(b) Section 375.243, Local Government Code, does not apply to the district.


Sec. 3836.161. BIDDING REQUIREMENTS. Section 375.221, Local Government Code, and Sections 49.273(d), (e), (f), and (g), Water Code, do not apply to the district.


Sec. 3836.162. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.


SUBCHAPTER E. SALES AND USE TAX

Sec. 3836.201. MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.


Sec. 3836.202. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.
(b) Chapter 321, Tax Code, relating to municipal sales and use taxes applies to the application, collection, change, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 321, Tax Code, to a municipality referred to the district and references to a governing body referred to the board.


Sec. 3836.203. AUTHORIZATION; ELECTION. (a) The district may adopt a sales and use tax to serve the purposes of the district after an election in which a majority of the district voters voting in the election authorize the adoption of the tax.

(b) The board by order may call an election to authorize a sales and use tax. The election may be held with any other district election.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Section 3836.160.

(d) The ballots shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the Las Damas Management District at a rate not to exceed ______ percent."


Sec. 3836.204. ABOLISHING SALES AND USE TAX. (a) Except as provided in Subsection (b), the board may abolish the sales and use tax without an election.

(b) The board may not abolish the sales and use tax if the district has outstanding debt or other obligations secured by the tax.

Sec. 3836.205. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer within the district during the period that the tax is in effect.

(b) The board shall determine the rate of the tax, which may be in increments of one-eighth of one percent and may not exceed the maximum rate authorized by the voters.

(c) The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item.


SUBCHAPTER F. HOTEL OCCUPANCY TAXES

Sec. 3836.251. HOTEL OCCUPANCY TAX. (a) In this section, "hotel" has the meaning assigned by Section 156.001, Tax Code.

(b) For purposes of this section, a reference in Subchapter A, Chapter 352, Tax Code, to a county is a reference to the district and a reference in Subchapter A, Chapter 352, Tax Code, to the county's officers or governing body is a reference to the board.

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

(d) The district may impose a hotel occupancy tax for any district purpose, including to:
   (1) maintain and operate the district;
   (2) construct or acquire improvements; and
   (3) provide a service.

(e) The board by order may impose, repeal, increase, or decrease the rate of a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or
possession of a room that:
(1) is in a hotel located in the district's boundaries;
(2) costs $2 or more each day; and
(3) is ordinarily used for sleeping.
(f) The amount of the tax may not exceed seven percent of the
price paid for a room in a hotel.
(g) The district may examine and receive information related to
the imposition of hotel occupancy taxes to the same extent as if the
district were a county.

Added by Acts 2007, 80th Leg., R.S., Ch. 821 (S.B. 1969), Sec. 1, eff.

SUBCHAPTER G. DISSOLUTION
Sec. 3836.301. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.
(a) The board may dissolve the district regardless of whether the
district has debt. Section 375.264, Local Government Code, does not
apply to the district.
(b) If the district has debt when it is dissolved, the district
shall remain in existence solely for the purpose of discharging its
debts. The dissolution is effective when all debts have been
discharged.

Added by Acts 2007, 80th Leg., R.S., Ch. 821 (S.B. 1969), Sec. 1, eff.

CHAPTER 3837. WEST RANCH MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 3837.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the West Ranch Management District.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June
17, 2005.

Sec. 3837.002. WEST RANCH MANAGEMENT DISTRICT. The West Ranch
Management District is a special district created under Section 59,
Article XVI, Texas Constitution.
Sec. 3837.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Friendswood, Galveston and Harris Counties, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Sec. 3837.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.
(d) The district will:
(1) promote the health, safety, education, and general
welfare of residents, employers, potential employees, employees,
visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve,
maintain, and enhance the economic health and vitality of the
district territory as a community and business center; and
(3) promote the health, safety, welfare, education, and
enjoyment of the public by providing pedestrian ways and by
landscaping and developing certain areas in the district, which are
necessary for the restoration, preservation, and enhancement of
scenic beauty.
(e) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, parking, and street art objects are parts of and
necessary components of a street and are considered to be a street or
road improvement.
(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many
private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June
17, 2005.

Sec. 3837.005. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 2 of the Act enacting
this chapter, as that territory may have been modified under:
(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.
(b) The boundaries and field notes of the district contained in
Section 2 of the Act enacting this chapter form a closure. A mistake
in the field notes or in copying the field notes in the legislative
process does not in any way affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which
the district is created or to pay the principal of and interest on
the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by a municipality under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by a municipality under Chapter 312, Tax Code; or
(3) an enterprise zone created by a municipality under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3837.051. GOVERNING BODY. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered
year.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.052. APPOINTMENT OF DIRECTORS. (a) The governing body of the City of Friendswood shall appoint the directors of the board. The governing body shall appoint:

(1) three directors from a list of persons nominated by the board; and

(2) two directors chosen by the governing body.

(b) If a person owns 25 percent or more of the land in the district, the board shall request that the person provide to the board a list of persons for the board to nominate under this section. If the person does not provide a list of persons to the board for that purpose before the 31st day after the date the board requests the list or if no person owns 25 percent or more of the land in the district, the board is not required to obtain a list and may nominate any eligible person for appointment to the board. If more than one person owns 25 percent or more of the land included in the district, only the person who owns the greatest amount of land included in the district is entitled to have the board request a list under this subsection.

(c) If a person owns 25 percent or more of the land in the district, at least a majority of the board must have been named from a list provided by a person who owns 25 percent or more of the land.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.053. REMOVAL OF DIRECTORS CHOSEN BY CITY. The City of Friendswood for any reason may remove a director appointed under Section 3837.052(a)(2) and appoint a person to serve the remainder of that director's term.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.
Sec. 3837.054. VACANCY IN OFFICE OF DIRECTOR. (a) The board may appoint a person to fill a vacancy in the office of a director appointed under Section 3837.052(a)(1) for the remainder of the director's term.

(b) The City of Friendswood may appoint a person to fill a vacancy in the office of a director appointed under Section 3837.052(a)(2) for the remainder of the director's term.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.055. QUORUM. For purposes of determining whether a quorum of the board is present, the following are not counted:

1. a board position vacant for any reason, including death, resignation, or disqualification; or
2. a director who is abstaining from participation in a vote because of a conflict of interest.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3837.101. EDUCATIONAL FACILITIES. (a) The district may acquire, construct, or finance an educational facility or a site or appurtenance for an educational facility to benefit the district.

(b) The district may convey the facility, site, or appurtenance to a school district that contains territory in the West Ranch Management District.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a district project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June
Sec. 3837.103. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with the City of Friendswood for the city to provide law enforcement services in the district that exceed the services that would otherwise be provided in the district by the city.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.104. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:
(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and
(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.105. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
(1) make loans and grants of public money; and
(2) provide district personnel and services.
(b) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.106. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.
Sec. 3837.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 3837.152. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal rolls for Harris County and Galveston County, as applicable.

Sec. 3837.153. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3837.157, the district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

1. maintain and operate the district;
2. construct or acquire improvements, sites, or appurtenances; or
3. provide a service.

(b) The board shall determine the tax rate.
Sec. 3837.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.155. BONDS AND OTHER OBLIGATIONS; APPROVAL BY CITY OF FRIENDSWOOD. (a) The district may issue bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) The district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) The district must obtain the approval of the City of Friendswood for the issuance of bonds or other obligations for any improvement project.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.156. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad
valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose the continuing direct ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;
(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
(C) pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.157. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.158. CITIES NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

Sec. 3837.159. COMPETITIVE BIDDING. (a) The competitive bidding provisions of Subchapter I, Chapter 49, Water Code, apply to
the district for a contract to acquire or construct a water, a wastewater, or a drainage or detention improvement. For all other district contracts or projects, the competitive bidding requirements that apply to a local government corporation created under Chapter 431, Transportation Code, apply to the district.

(b) Subchapter K, Chapter 375, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3837.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

Added by Acts 2005, 79th Leg., Ch. 438 (S.B. 1806), Sec. 1, eff. June 17, 2005.

CHAPTER 3838. PEARLAND MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3838.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Pearland Municipal Management District No. 1.

(3) "Economic development corporation" means a corporation created under the Development Corporation Act (Subtitle C1, Title 12, Local Government Code).

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.60, eff. April 1, 2009.
Sec. 3838.002. PEARLAND MUNICIPAL MANAGEMENT DISTRICT NO. 1. The Pearland Municipal Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution. Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Pearland, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers
The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

The boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Pearland under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the City of Pearland under Chapter 312, Tax Code; or
(3) an enterprise zone created by the City of Pearland under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.008. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3838.051. BOARD OF DIRECTORS; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Pearland shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.053. QUORUM. For purposes of determining the requirements for a quorum, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification; or

(2) a director who is abstaining from participation in a vote because of a conflict of interest.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3838.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to an economic development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Amended by:
Sec. 3838.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a member of the board of the nonprofit corporation is not required to reside in the district.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified party, including Harris County or the City of Pearland, to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.
Sec. 3838.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:
  (1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and
  (2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
  (1) make loans and grants of public money, including bond proceeds; and
  (2) provide district personnel and services.
(b) District improvements qualify as projects for funding by an economic development corporation.
(c) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code.
(d) The district is eligible to receive grants from a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.107. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. PARKING FACILITIES
Sec. 3838.151. PARKING FACILITIES AUTHORIZED; OPERATION BY
PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:
   (1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and
   (2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.
(b) A parking facility of the district may be leased to, or operated for the district by, an entity other than the district.
(c) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.152. RULES FOR PARKING SYSTEM. (a) The district may adopt rules covering its public parking system.
(b) Rules adopted under this section that relate to or affect the use of the public right-of-way or a requirement for off-street parking are subject to all applicable municipal charter, code, and ordinance requirements.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.153. PAYING COST OF PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating a system of public parking facilities.
(b) The district may:
   (1) set, charge, impose, and collect fees, charges, or tolls for the use of the public parking facilities; and
   (2) issue bonds or notes to finance the cost of these facilities.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.
SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 3838.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.202. AUTHORIZATION FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.203. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition requesting a project financed by assessment must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.204. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3838.208, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) promote economic development;
(2) maintain and operate the district;
(3) construct or acquire improvements; or
(4) provide a service.
(b) The board shall determine the tax rate.
(c) Section 54.601, Water Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.
(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:
(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.
(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.
(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements of:
(1) an electric utility or a power generation company as
defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.207. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations, by competitive bid or negotiated sale, payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, including economic development funds contributed to the district by the municipality or by an economic development corporation, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. The term of a bond issued under this chapter may not exceed 40 years from the date of issuance.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.208. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district imposes a sales and use tax or an ad valorem tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Subchapter L, Chapter 375, Local Government Code, does not apply to the district.
Sec. 3838.209. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.210. BIDDING REQUIREMENTS. The district's requirements relating to bidding of contracts are the same as the requirements for a local government corporation created under Subchapter D, Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.211. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

SUBCHAPTER F. SALES AND USE TAX

Sec. 3838.251. MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.252. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.
(a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.

(b) The provisions of Subchapters B, C, and D, Chapter 321, Tax Code, relating to municipal sales and use taxes apply to the application, collection, change, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 321, Tax Code, to a municipality referred to the district and references to a governing body referred to the board.

(c) Sections 321.401-321.406 and 321.506-321.508, Tax Code, do not apply to a tax imposed under this subchapter.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.253. AUTHORIZATION; ELECTION. (a) The district may adopt a sales and use tax to serve the purposes of the district at an election in which a majority of the voters of the district voting in the election approve the adoption of the tax.

(b) The board by order may call an election to adopt a sales and use tax. The election may be held with any other district election.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Section 3838.208.

(d) The ballots shall be printed to provide for voting for or against the proposition: "Adoption of a one-half of one percent district sales and use tax in the Pearland Municipal Management District No. 1."

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.254. ABOLISHING SALES AND USE TAX. (a) Except as provided in Subsection (b), the board, with the consent of the governing body of the municipality where the district is located, may abolish the sales and use tax without an election.
(b) The board may not abolish the sales and use tax if the district has outstanding debt secured by the tax.

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

Sec. 3838.255. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax of one-half of one percent on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer within the district during the period that the tax is in effect.

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

Added by Acts 2005, 79th Leg., Ch. 444 (S.B. 1813), Sec. 1, eff. June 17, 2005.

CHAPTER 3839. TOWNE LAKE MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3839.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Towne Lake Management District.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.002. TOWNE LAKE MANAGEMENT DISTRICT. The Towne Lake Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.003. PURPOSE; DECLARATION OF INTENT. (a) The
creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.
Sec. 3839.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3839.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1,
Sec. 3839.052. APPOINTMENT OF DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.054. QUORUM. For purposes of determining the requirements for a quorum, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.055. COMPENSATION. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3839.101. INDUSTRIAL DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to an industrial development corporation under Chapter 505, Local Government Code, including the
power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.025, eff. September 1, 2009.

Sec. 3839.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a director of the corporation is not required to reside in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To
protect the public interest, the district may contract with a qualified party including Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.107. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with the City of Houston in the same manner as a district under Section 43.0751, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.
Sec. 3839.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3839.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 persons who own real property in the district, if more than 50 persons own real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1,
Sec. 3839.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.
Sec. 3839.156. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3839.160, the district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.157. UTILITY PROPERTY EXEMPT FROM IMPACT FEES OR ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.158. BONDS AND OTHER OBLIGATIONS. (a) The district may issue by competitive bid or negotiated sale bonds, notes, or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In addition to any other terms authorized by the board by bond order or resolution, the proceeds of the district's bonds may be used for a reserve fund, credit enhancement, or capitalized interest.
for the bonds.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.160. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes an ad valorem tax or issues bonds payable from ad valorem taxes.

(b) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.161. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.
Except as provided by Section 375.263, Local Government Code, the City of Houston is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.162. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $50,000.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

Sec. 3839.163. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. DISSOLUTION

Sec. 3839.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.
(a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1285 (H.B. 4045), Sec. 1, eff. June 15, 2007.

CHAPTER 3840. SPECTRUM MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3840.001. DEFINITIONS. In this chapter:
Sec. 3840.002. SPECTRUM MANAGEMENT DISTRICT. The Spectrum Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Pearland, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty;
(4) provide for water, wastewater, and drainage needs of the district; and
(5) provide for recreational facilities, sports arenas, and other athletic facilities.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.
Sec. 3840.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:
   (1) Subchapter J, Chapter 49, Water Code; or
   (2) other law.

   (b) The boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:
       (1) organization, existence, or validity;
       (2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
       (3) right to impose or collect an assessment or tax; or
       (4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:
       (1) a tax increment reinvestment zone created by a municipality under Chapter 311, Tax Code;
       (2) a tax abatement reinvestment zone created by a municipality under Chapter 312, Tax Code; or
       (3) an enterprise zone created under Chapter 2303, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. (a) Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.
   (b) Subchapter B, Chapter 375, and Sections 375.064(f), 375.069, 375.070, 375.071, 375.113, and 375.114, Local Government Code, do not apply to the district.
Sec. 3840.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3840.051. COMPOSITION; TERMS. (a) The district is governed by a board of seven voting directors who serve staggered terms of four years, with three or four directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.052. APPOINTMENT OF DIRECTORS. (a) The mayor and the governing body of the City of Pearland shall appoint voting directors from persons recommended by the board.

(b) A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.
Sec. 3840.055. QUORUM. For purposes of determining the requirements for a quorum, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3840.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) an economic development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter;

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and

(3) a sports facility district under Chapter 325, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.026, eff. September 1, 2009.

Sec. 3840.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under
Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation.

(d) The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a director of the corporation is not required to reside in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified party, including Harris County or the City of Pearland, to provide law enforcement services in the district for a fee.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.
Sec. 3840.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.107. PROPERTY. The district may construct, purchase, sell, or lease property, including facilities, to accomplish a district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3840.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any
improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to the proposed assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of real property in the district if more than 50 persons own real property in the district as determined by the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the
district:
  (1) are a first and prior lien against the property assessed;
  (2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
  (3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.
  (c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.
  (d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.156. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3840.160, the district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:
  (1) maintain and operate the district;
  (2) construct or acquire improvements; or
  (3) provide a service.
  (b) The board shall determine the tax rate.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.157. UTILITY PROPERTY EXEMPT FROM IMPACT FEES OR ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:
  (1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.158. BONDS AND OTHER OBLIGATIONS. (a) The district may issue by competitive bid or negotiated sale bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) The district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) The term of a bond issued under this chapter may not exceed 40 years from the date of issuance.

(d) In addition to any other terms authorized by the board by bond order or resolution, the proceeds of the district's bonds may be used for a reserve fund, credit enhancement, or capitalized interest for the bonds.

(e) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and
the district annually shall impose a continuing direct ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.160. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes an ad valorem tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one issue in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.161. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.162. BIDDING REQUIREMENTS. Section 375.221, Local Government Code, and Sections 49.273(d), (e), (f), and (g), Water Code, do not apply to the district.
Sec. 3840.163. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Sec. 3840.201. MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

Sec. 3840.202. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.

(b) Chapter 321, Tax Code, relating to municipal sales and use taxes, applies to the application, collection, change, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 321, Tax Code, to a municipality referred to the district and references to a governing body referred to the board.


Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.
Sec. 3840.203. AUTHORIZATION; ELECTION. (a) The district may adopt a sales and use tax to serve the purposes of the district after an election in which a majority of the voters of the district voting in the election authorize the adoption of the tax.

(b) The board by order may call an election to authorize a sales and use tax. The election may be held with any other district election.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Section 3840.160.

(d) The ballots shall be printed to provide for voting for or against the proposition: "Authorization of a district sales and use tax in the Spectrum Management District at a rate not to exceed ____ percent."

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.204. ABOLISHING SALES AND USE TAX. (a) Except as provided by Subsection (b), the board, with the consent of the governing body of the City of Pearland, may abolish the sales and use tax without an election.

(b) The board may not abolish the sales and use tax if the district has outstanding debt secured by the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

Sec. 3840.205. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax on the receipts from the sale at retail of taxable items in the district, and an excise tax on the use, storage, or other consumption in the district of taxable items purchased, leased, or rented from a retailer in the district during the period that the tax is in effect.

(b) The board shall determine the rate of the tax, which may be in one-eighth of one percent increments not to exceed the maximum rate authorized by the district voters at the election. The board may lower the tax rate to the extent it does not impair any outstanding debt or obligations payable from the tax.

(c) The rate of the excise tax is the same as the rate of the
sales tax portion of the tax and is applied to the sales price of the taxable item.

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER F. DISSOLUTION**

Sec. 3840.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1344 (S.B. 1984), Sec. 1, eff. June 15, 2007.

**CHAPTER 3841. GALVESTON COUNTY MANAGEMENT DISTRICT NO. 1**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3841.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Galveston County Management District No. 1.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.002. GALVESTON COUNTY MANAGEMENT DISTRICT NO. 1. The Galveston County Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.003. PURPOSE; DECLARATION OF INTENT. (a) The
creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of League City, Galveston County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.
Sec. 3841.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of League City under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the City of League City under Chapter 312, Tax Code; or
(3) an enterprise zone created by the City of League City under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3841.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June
Sec. 3841.052. APPOINTMENT OF DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3841.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) an economic development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter; and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.
Sec. 3841.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

1. has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

2. may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Sec. 3841.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3841.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified party, including Galveston County or the City of League City, for the county or the city to provide law enforcement services.
in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(b) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.107. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3841.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and
the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Galveston County; or

(2) at least 50 persons who own real property in the district, if more than 50 persons own real property in the district as determined by the most recent certified tax appraisal roll for Galveston County.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified United States mail or an equivalent service that can provide a record of mailing or other delivery.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.
Sec. 3841.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.156. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3841.160, the district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

(b) The board shall determine the tax rate.
Sec. 3841.157. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Sec. 3841.158. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations, by competitive bid or negotiated sale, payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) The district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Sec. 3841.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that
all or part of the bonds are outstanding; and
(2) the district annually shall impose the continuing
direct ad valorem tax on all taxable property in the district in an
amount sufficient to:
(A) pay the interest on the bonds or other obligations
as the interest becomes due;
(B) create a sinking fund for the payment of the
principal of the bonds or other obligations when due or the
redemption price at any earlier required redemption date; and
(C) pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.160. TAX AND BOND ELECTIONS. (a) The district shall
hold an election in the manner provided by Subchapter L, Chapter 375,
Local Government Code, to obtain voter approval before the district
imposes an ad valorem tax or issues bonds payable from ad valorem
taxes.
(b) Section 375.243, Local Government Code, does not apply to
the district.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.161. CITIES NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.
Except as provided by Section 375.263, Local Government Code, the
City of League City is not required to pay a bond, note, or other
obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

Sec. 3841.162. COMPETITIVE BIDDING. Section 375.221, Local
Government Code, applies to the district only for a contract that has
a value greater than $25,000.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June
Sec. 3841.163. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. DISSOLUTION
Sec. 3841.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.
(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

Added by Acts 2005, 79th Leg., Ch. 437 (S.B. 1805), Sec. 1, eff. June 17, 2005.

CHAPTER 3842. NASA AREA MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 3842.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the NASA Area Management District.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.002. NASA AREA MANAGEMENT DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.
Sec. 3842.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Nassau Bay, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.
(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3 of the Act enacting this chapter, as that territory may have been modified under:

1. Subchapter J, Chapter 49, Water Code;
2. Section 3842.108; or
3. other law.

(b) The boundaries and field notes of the district contained in Section 3 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. right to impose or collect an assessment or a sales and use tax; or
Sec. 3842.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible, regardless of other statutory criteria, to be included in:

(1) a tax increment reinvestment zone created by the City of Nassau Bay or another governmental entity under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by the City of Nassau Bay or another governmental entity under Chapter 312, Tax Code; or

(3) an enterprise zone created by the City of Nassau Bay or another governmental entity under Chapter 2303, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3842.051. COMPOSITION; TERMS. (a) The district is governed by a board of seven voting directors who serve staggered
terms of four years, with three or four directors' terms expiring June 1 of each odd-numbered year.

(b) The governing body of the City of Nassau Bay may change the number of voting directors on the board. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Nassau Bay shall appoint voting directors. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

(b) Section 375.063, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the presiding officer of the City of Nassau Bay's planning and zoning commission;

(2) the City of Nassau Bay's director of public works; and

(3) the City of Nassau Bay's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

(c) The board may appoint other nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.
Sec. 3842.054. QUORUM. For purposes of determining whether a quorum of the board is present, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3842.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter; and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.027, eff. September 1, 2009.

Sec. 3842.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. A director of the corporation is not required
to reside in the district.

(d) The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified provider, including Harris County or the City of Nassau Bay, to provide law enforcement services in the district for a fee.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.105. APPROVAL BY CITY OF NASSAU BAY. (a) Except as provided by Subsection (c), the district must obtain the approval of the City of Nassau Bay for:

(1) the issuance of bonds for an improvement project;
(2) the imposition of a sales and use tax;
(3) the plans and specifications of an improvement project financed by the bonds; and
(4) the plans and specifications of an improvement project related to the use of land owned by the City of Nassau Bay, an easement granted by the City of Nassau Bay, or a right-of-way of a street, road, or highway.

(b) The approval obtained under Subsection (a)(1) or (2) must be a resolution or ordinance of the governing body of the City of
Nassau Bay. The approval obtained under Subsection (a)(3) or (4) may be by an administrative process that does not involve the city's governing body.

(c) If the district obtains the approval of the City of Nassau Bay's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Nassau Bay.

(d) The City of Nassau Bay and the district may agree on conditions for obtaining the approval of the city under this section, including an agreement for the approval of a sales and use tax that requires the district to abolish or decrease the rate of the tax if the rate, when combined with other local sales and use taxes, results in a combined tax rate that exceeds the maximum rate under Section 321.101(f), Tax Code, at any location in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) is exempt from the payment of federal income taxes under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.107. ECONOMIC DEVELOPMENT PROGRAMS AND OTHER POWERS RELATED TO PLANNING AND DEVELOPMENT. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under
Chapter 380, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.108. ANNEXATION. In addition to the authority to annex territory under Subchapter J, Chapter 49, Water Code, the district may by board resolution annex territory located in the City of Nassau Bay if the city's governing body by ordinance or resolution consents to the annexation.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.109. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3842.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.
Sec. 3842.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County;

(2) at least 25 persons who own real property in the district, if more than 25 persons own real property in the district according to the most recent certified tax appraisal roll for Harris County;

(3) the owners of a majority of the surface area of real property in the district subject to assessment as determined by the board; or

(4) the owners of a majority of the number of platted lots of real property subject to assessment as determined by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified United States mail or an equivalent service that can provide a record of mailing or other delivery.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:
(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.
(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that an ad valorem tax lien against real property is enforced.
(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:
(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue by competitive bid or negotiated sale bonds or other obligations payable wholly or partly from taxes, assessments, impact
fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) Section 375.243, Local Government Code, does not apply to the district.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645(a), Water Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.158. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the City of Nassau Bay is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.159. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $50,000.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.160. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.161. TAX INCREMENT FINANCING POWERS. (a) The district may designate all or any part of the district as a tax increment reinvestment zone, and the district may use tax increment
financing under Chapter 311, Tax Code, in the manner provided by that chapter for a municipality, except as modified by this section.

(b) The district has all powers provided under Chapter 311, Tax Code.

(c) The district and an overlapping taxing unit may enter into an interlocal agreement for the payment of all or a portion of the tax increment of the unit to the district.

(d) For the purpose of tax increment financing under this section, the board functions as the board of directors of the reinvestment zone. Section 311.009, Tax Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

SUBCHAPTER E. SALES AND USE TAX

Sec. 3842.201. MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 589 (S.B. 1999), Sec. 2, eff. June 16, 2007.

Sec. 3842.202. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.

(b) Chapter 321, Tax Code, relating to municipal sales and use taxes applies to the application, collection, change, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 321, Tax Code, to a municipality referred to the district and references to a governing body referred to the board.

Sec. 3842.203. AUTHORIZATION. The district may adopt a sales and use tax for the benefit of the district. The board is not required to call an election to adopt the tax.

Sec. 3842.204. ABOLISHING SALES AND USE TAX. (a) Except as provided in Subsection (b), the board, with the consent of the governing body of the City of Nassau Bay, may abolish the sales and use tax without an election.

(b) The board may not abolish the sales and use tax if the district has outstanding debt secured by the tax.

Sec. 3842.205. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax at the rate authorized by the district on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer within the district during the period that the tax is in effect.

(b) The board shall determine the tax rate. The rate may not exceed the rate authorized by the governing body of the City of Nassau Bay.

(c) With the consent of the governing body of the City of Nassau Bay, the board may reduce the tax rate to the extent the reduction does not impair any outstanding debt or other obligations payable from the tax.

(d) The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item.
SUBCHAPTER F. DISSOLUTION

Sec. 3842.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

CHAPTER 3843. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 6

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3843.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Harris County Improvement District No. 6.

Sec. 3843.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 6. A special district known as the "Harris County Improvement District No. 6" is a governmental agency and political subdivision of this state.

Sec. 3843.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By
creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of September 1, 2005, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) Each improvement project or service authorized by this chapter is essential to carry out a public purpose.

(d) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(e) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing public art and pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty;

(4) promote and benefit commercial development and commercial areas in the district; and

(5) promote and develop public transportation and pedestrian facilities and systems using new and alternative means that are attractive, safe, and convenient, including securing expanded and improved transportation and pedestrian facilities and systems, to:

(A) address the problem of traffic congestion in the district, the need to control traffic and improve pedestrian safety, and the limited availability of money; and

(B) benefit the land and other property in the district and the residents, employers, employees, visitors, and consumers in the district and the public.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Section 3843.105;

(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

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

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose and collect an assessment or tax; or
(4) the legality or operation of the district or the board.

(c) A description of the district's boundaries shall be filed with the Texas Commission on Environmental Quality. The commission by order may correct a mistake in the description of the district's boundaries.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.006. TORT LIABILITY. The district is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are essential government functions and are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.007. ELIGIBILITY FOR REINVESTMENT ZONES. All or any part of the area of the district is eligible to be included in a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter
shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3843.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 11 directors who serve staggered terms of four years with five or six directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if a majority of the board finds that it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 15; or
(2) decrease the number of directors to fewer than five.

(c) Sections 49.053, 49.054, 49.056, 49.057, 49.058, and 49.060, Water Code, apply to the board.

(d) Subchapter D, Chapter 375, Local Government Code, applies to the board to the extent that subchapter does not conflict with this chapter.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.052. APPOINTMENT OF DIRECTORS ON INCREASE IN BOARD SIZE. If the board increases the number of directors under Section 3843.051, the board shall appoint qualified persons to fill the new director positions and shall provide for staggering the terms of the directors serving in the new positions. On expiration of the term of a director appointed under this section, a succeeding director shall be appointed and qualified as provided by Subchapter D, Chapter 375, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3843.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code;

(3) the powers, duties, and contracting authority specified by Subchapters H and I, Chapter 49, Water Code;

(4) the powers given to a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that chapter; and

(5) the powers of a housing finance corporation created under Chapter 394, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.63, eff. April 1, 2009.

Sec. 3843.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June
17, 2005.

Sec. 3843.103. ELECTIONS. (a) District elections must be held in the manner provided by Subchapter L, Chapter 375, Local Government Code.

(b) The board may submit multiple purposes in a single proposition at an election.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.104. CONTRACT FOR LAW ENFORCEMENT AND SECURITY SERVICES. The district may contract with:

(1) Harris County or the City of Houston for the county or city to provide law enforcement and security services for a fee; and

(2) a private entity for the private entity to provide supplemental security services.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.105. ANNEXATION OR EXCLUSION OF TERRITORY. The district may annex or exclude land from the district in the manner provided by Subchapter C, Chapter 375, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3843.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED. (a)
The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

(b) Before the district may act under Subsection (a), a petition must be filed with the district requesting the action with regard to a public transit system. The petition must be signed by owners of property representing a majority of either the total assessed value or the area of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located. The determination of a majority is based on the property owners along the entire right-of-way of the proposed transit project and may not be calculated on a block-by-block basis.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for the parking of motor vehicles; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in the parking of vehicles.

(b) A parking facility of the district must be either leased to or operated on behalf of the district by a private entity or an entity other than the district. The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution, and accomplish a public purpose under that section even if leased or operated by a private entity for a term of years.

(c) The district's public parking facilities and any lease to a private entity are exempt from the payment of ad valorem taxes and state and local sales and use taxes.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.
Sec. 3843.153. RULES. The district may adopt rules covering its public transit system or its public parking facilities, except that a rule relating to or affecting the use of the public right-of-way or a requirement for off-street parking is subject to all applicable municipal charter, code, or ordinance requirements.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring and operating a public transit system or public parking facilities.

(b) The district may set and impose fees, charges, or tolls for the use of the public transit system or the public parking facilities and may issue bonds or notes to finance the cost of these facilities.

(c) Except as provided by Section 3843.151, if the district pays for or finances the cost of acquiring or operating a public transit system or public parking facilities with resources other than assessments, a petition of property owners or a public hearing is not required.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.155. PAYMENT IN LIEU OF TAXES TO OTHER TAXING UNIT. If the district's acquisition of property for a parking facility that is leased to or operated by a private entity results in the removal from a taxing unit's tax rolls of real property otherwise subject to ad valorem taxation, the district shall pay to the taxing unit in which the property is located, on or before January 1 of each year, as a payment in lieu of taxes, an amount equal to the ad valorem taxes that otherwise would have been imposed for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the property.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.
Sec. 3843.201. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM TAXES, AND IMPACT FEES. The district may impose, assess, charge, or collect an assessment, an ad valorem tax, an impact fee, or another fee in accordance with Chapter 49, Water Code, for a purpose specified by Chapter 375, Local Government Code, or as needed to exercise a power or function or to accomplish a purpose or duty for which the district was created.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.202. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3843.103, the district may impose an annual ad valorem tax on taxable property in the district to maintain, restore, replace, or operate the district and improvements that the district constructs or acquires or the district's facilities, works, or services.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.203. ASSESSMENT IN PART OF DISTRICT. An assessment may be imposed on only a part of the district if only that part will benefit from the service or improvement.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.204. PETITION REQUIRED FOR ASSESSMENT AND FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not impose an assessment or finance a service or improvement project under this chapter unless a written petition requesting the improvement or service has been filed with the board.

(b) The petition must be signed by:
(1) the owners of a majority of the assessed value of real property in the district or in the area of the district that will be subject to the assessment as determined by the most recent certified tax appraisal roll for Harris County; or
(2) at least 25 persons who own real property in the district or the area of the district that will be subject to the assessment, if more than 25 persons own real property in the district or area that will be subject to the assessment as determined by the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.205. ASSESSMENTS CONSIDERED TAXES. For purposes of a title insurance policy issued under Chapter 9, Insurance Code, an assessment is a tax.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.206. LIENS FOR ASSESSMENTS; SUITS TO RECOVER ASSESSMENTS. (a) An assessment imposed on property under this chapter is a personal obligation of the person who owns the property on January 1 of the year for which the assessment is imposed. If the person transfers title to the property, the person is not relieved of the obligation.

(b) On January 1 of the year for which an assessment is imposed on a property, a lien attaches to the property to secure the payment of the assessment and any interest accrued on the assessment. The lien has the same priority as a lien for district taxes.

(c) Not later than the fourth anniversary of the date on which a delinquent assessment became due, the district may file suit to foreclose the lien or to enforce the obligation for the assessment, or both, and for any interest accrued.

(d) In addition to recovering the amount of the assessment and any accrued interest, the district may recover reasonable costs, including attorney's fees, that the district incurs in foreclosing the lien or enforcing the obligation. The costs may not exceed an amount equal to 20 percent of the assessment and interest.
(e) If the district does not file a suit in connection with a delinquent assessment on or before the last date on which the district may file suit under Subsection (c), the assessment and any interest accrued is considered paid.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.207. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENT AND IMPACT FEES. The district may not impose an impact fee or assessment on the property, including equipment or facilities, of:

(1) an electric utility as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.208. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:

(1) burying or removing electrical power lines, telephone lines, cable or fiber optic lines, or any other type of electrical or optical line;
(2) removing poles and any elevated lines using the poles; and
(3) reconnecting the lines described by Subdivision (2) to the buildings or other improvements to which the lines were connected.

(b) The district may acquire, operate, or charge fees for the use of the district conduits for:

(1) another person's:
(A) telecommunications network;
(B) fiber-optic cable; or
(C) electronic transmission line; or
(2) any other type of transmission line or supporting facility.
(c) The district may not require a person to use a district conduit.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

Sec. 3843.209. DEBT. The district may issue bonds, notes, or other debt obligations in accordance with Subchapters I and J, Chapter 375, Local Government Code, for a purpose specified by that chapter or as required to exercise a power or function or to accomplish a purpose or duty for which the district was created.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

SUBCHAPTER F. DISSOLUTION

Sec. 3843.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.
(a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, except that Section 375.264, Local Government Code, does not apply to the district.
(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.

Added by Acts 2005, 79th Leg., Ch. 769 (H.B. 3518), Sec. 1, eff. June 17, 2005.

CHAPTER 3844. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 7

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3844.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Harris County Improvement District No. 7.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June
Sec. 3844.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 7. A special district known as the "Harris County Improvement District No. 7" is a governmental agency and political subdivision of this state.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of September 1, 2005, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the
district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) Each improvement project or service authorized by this chapter is essential to carry out a public purpose.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing public art and pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty;
(4) promote and benefit commercial development and commercial areas in the district; and
(5) promote and develop public transportation and pedestrian facilities and systems using new and alternative means that are attractive, safe, and convenient, including securing expanded and improved transportation and pedestrian facilities and systems, to:

(A) address the problem of traffic congestion in the district, the need to control traffic and improve pedestrian safety, and the limited availability of money; and

(B) benefit the land and other property in the district and the residents, employers, employees, visitors, and consumers in the district and the public.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road.
improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Section 3844.105;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

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

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose and collect an assessment or tax; or
(4) the legality or operation of the district or the board.

(c) A description of the district's boundaries shall be filed with the Texas Commission on Environmental Quality. The commission by order may correct a mistake in the description of the district's boundaries.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.006. TORT LIABILITY. The district is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are essential government functions and are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.
Sec. 3844.007. ELIGIBILITY FOR REINVESTMENT ZONES. All or any part of the area of the district is eligible to be included in a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3844.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 11 directors who serve staggered terms of four years with five or six directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if a majority of the board finds that it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 15; or
(2) decrease the number of directors to fewer than five.

(c) Sections 49.053, 49.054, 49.056, 49.057, 49.058, and 49.060, Water Code, apply to the board.

(d) Subchapter D, Chapter 375, Local Government Code, applies to the board to the extent that subchapter does not conflict with this chapter.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.
Sec. 3844.052. APPOINTMENT OF DIRECTORS ON INCREASE IN BOARD SIZE. If the board increases the number of directors under Section 3844.051, the board shall appoint qualified persons to fill the new director positions and shall provide for staggering the terms of the directors serving in the new positions. On expiration of the term of a director appointed under this section, a succeeding director shall be appointed and qualified as provided by Subchapter D, Chapter 375, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 3844.101. DISTRICT POWERS. The district has:
(1) all powers necessary to accomplish the purposes for which the district was created;
(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code;
(3) the powers, duties, and contracting authority specified by Subchapters H and I, Chapter 49, Water Code;
(4) the powers given to a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that chapter; and
(5) the powers of a housing finance corporation created under Chapter 394, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.64, eff. April 1, 2009.

Sec. 3844.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.
(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.103. ELECTIONS. (a) District elections must be held in the manner provided by Subchapter L, Chapter 375, Local Government Code.

(b) The board may submit multiple purposes in a single proposition at an election.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.104. CONTRACT FOR LAW ENFORCEMENT AND SECURITY SERVICES. The district may contract with:

(1) Harris County or the City of Houston for the county or city to provide law enforcement and security services for a fee; and

(2) a private entity for the private entity to provide supplemental security services.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.105. ANNEXATION OR EXCLUSION OF TERRITORY. The district may annex or exclude land from the district in the manner provided by Subchapter C, Chapter 375, Local Government Code.
Sec. 3844.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 3844.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

(b) Before the district may act under Subsection (a), a petition must be filed with the district requesting the action with regard to a public transit system. The petition must be signed by owners of property representing a majority of either the total assessed value or the area of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located. The determination of a majority is based on the property owners along the entire right-of-way of the proposed transit project and may not be calculated on a block-by-block basis.

Sec. 3844.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for the parking of motor vehicles; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in the parking of vehicles.

(b) A parking facility of the district must be either leased to or operated on behalf of the district by a private entity or an
entity other than the district. The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution, and accomplish a public purpose under that section even if leased or operated by a private entity for a term of years.

(c) The district's public parking facilities and any lease to a private entity are exempt from the payment of ad valorem taxes and state and local sales and use taxes.

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Sec. 3844.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring and operating a public transit system or public parking facilities.

(b) The district may set and impose fees, charges, or tolls for the use of the public transit system or the public parking facilities and may issue bonds or notes to finance the cost of these facilities.

(c) Except as provided by Section 3844.151, if the district pays for or finances the cost of acquiring or operating a public transit system or public parking facilities with resources other than assessments, a petition of property owners or a public hearing is not required.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.
Sec. 3844.155. PAYMENT IN LIEU OF TAXES TO OTHER TAXING UNIT. If the district's acquisition of property for a parking facility that is leased to or operated by a private entity results in the removal from a taxing unit's tax rolls of real property otherwise subject to ad valorem taxation, the district shall pay to the taxing unit in which the property is located, on or before January 1 of each year, as a payment in lieu of taxes, an amount equal to the ad valorem taxes that otherwise would have been imposed for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the property.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 3844.201. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM TAXES, AND IMPACT FEES. The district may impose, assess, charge, or collect an assessment, an ad valorem tax, an impact fee, or another fee in accordance with Chapter 49, Water Code, for a purpose specified by Chapter 375, Local Government Code, or as needed to exercise a power or function or to accomplish a purpose or duty for which the district was created.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

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(b) The board shall determine the tax rate.

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may be imposed on only a part of the district if only that part will benefit from the service or improvement.

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(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district or in the area of the district that will be subject to the assessment as determined by the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 persons who own real property in the district or the area of the district that will be subject to the assessment, if more than 25 persons own real property in the district or area that will be subject to the assessment as determined by the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.205. ASSESSMENTS CONSIDERED TAXES. For purposes of a title insurance policy issued under Chapter 9, Insurance Code, an assessment is a tax.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.206. LIENS FOR ASSESSMENTS; SUITS TO RECOVER ASSESSMENTS. (a) An assessment imposed on property under this chapter is a personal obligation of the person who owns the property on January 1 of the year for which the assessment is imposed. If the person transfers title to the property, the person is not relieved of the obligation.
(b) On January 1 of the year for which an assessment is imposed on a property, a lien attaches to the property to secure the payment of the assessment and any interest accrued on the assessment. The lien has the same priority as a lien for district taxes.

(c) Not later than the fourth anniversary of the date on which a delinquent assessment became due, the district may file suit to foreclose the lien or to enforce the obligation for the assessment, or both, and for any interest accrued.

(d) In addition to recovering the amount of the assessment and any accrued interest, the district may recover reasonable costs, including attorney's fees, that the district incurs in foreclosing the lien or enforcing the obligation. The costs may not exceed an amount equal to 20 percent of the assessment and interest.

(e) If the district does not file a suit in connection with a delinquent assessment on or before the last date on which the district may file suit under Subsection (c), the assessment and any interest accrued is considered paid.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.207. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENT AND IMPACT FEES. The district may not impose an impact fee or assessment on the property, including equipment or facilities, of:

(1) an electric utility as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.208. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:
(1) burying or removing electrical power lines, telephone lines, cable or fiber optic lines, or any other type of electrical or optical line;

(2) removing poles and any elevated lines using the poles; and

(3) reconnecting the lines described by Subdivision (2) to the buildings or other improvements to which the lines were connected.

(b) The district may acquire, operate, or charge fees for the use of the district conduits for:

(1) another person's:
   (A) telecommunications network;
   (B) fiber-optic cable; or
   (C) electronic transmission line; or

(2) any other type of transmission line or supporting facility.

(c) The district may not require a person to use a district conduit.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

Sec. 3844.209. DEBT. The district may issue bonds, notes, or other debt obligations in accordance with Subchapters I and J, Chapter 375, Local Government Code, for a purpose specified by that chapter or as required to exercise a power or function or to accomplish a purpose or duty for which the district was created.

Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

SUBCHAPTER F. DISSOLUTION

Sec. 3844.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.

(a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, except that Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.
Added by Acts 2005, 79th Leg., Ch. 768 (H.B. 3517), Sec. 1, eff. June 17, 2005.

CHAPTER 3845. TORNILLO MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3845.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Tornillo Management District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.002. NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.
(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.
(d) The creation of the district is in the public interest and is essential to:
   (1) further the public purposes of developing and diversifying the economy of the state;
   (2) eliminate unemployment and underemployment; and
   (3) develop or expand transportation and commerce.
(e) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

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

(1) organization, existence, or validity;

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

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3845.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven voting directors. Four directors are elected as provided by Section 3845.052 and three directors are appointed as provided by Section 3845.053.

(b) Elected directors serve staggered terms of four years.
(c) Appointed directors serve three-year terms and may be appointed for subsequent terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.053. APPOINTMENT OF DIRECTORS. (a) One director shall be appointed by a majority vote of the board of directors of the El Paso County Tornillo Water Improvement District.

(b) One director shall be appointed by a majority vote of the Commissioners Court of El Paso County.

(c) One director shall be appointed by the board from a list of persons submitted by the representative for House District 75.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.054. QUALIFICATIONS. (a) To be qualified to serve as an appointed director, a person must be at least 18 years old and a state resident.

(b) To be qualified to serve as an elected director, a person must meet the qualifications for an appointed director and be an owner of real property subject to taxation in the district or a qualified voter of the district.
Sec. 3845.055. INITIAL DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as initial directors the four qualified persons named in the petition. The commission shall appoint as initial directors the four persons named in the petition.

(b) The initial directors appointed under Subsection (a) shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 3845.052 and which two shall serve until the second regularly scheduled election of directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3845.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.102. MUNICIPAL MANAGEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapter 375, Local Government Code, applicable to municipal management districts created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.
Sec. 3845.103. EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.104. WATER AND WASTEWATER FACILITIES AND SERVICES.

(a) The district may not provide wholesale or retail water or wastewater services to any land inside or outside the boundaries of the district or produce water for use on land owned or managed by the district unless authorized by a written resolution of the board of directors of the El Paso County Tornillo Water Improvement District. A written resolution authorizing the provision or production of water or the water or wastewater services must specify the area authorized to receive the water or wastewater services or for which the district is authorized to produce water. Notwithstanding any other law, the El Paso County Tornillo Water Improvement District is not required to provide retail water or wastewater services to an area in which the district is authorized to provide water services.

(b) On written request by the El Paso County Tornillo Water Improvement District, the district shall convey and transfer to the El Paso County Tornillo Water Improvement District all water or wastewater facilities, equipment, and fixtures owned by the district, including water lines, wastewater lines, meters, wells, fire hydrants, storage tanks, lagoons, water and wastewater treatment facilities, and pump and lift stations.

(c) Water or wastewater facilities, equipment, and fixtures transferred at the request of the El Paso County Tornillo Water Improvement District shall continue to be used to benefit land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.105. RAIL FACILITIES. The district may construct, acquire, improve, maintain, and operate rail facilities and improvements in aid of those facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1,
Sec. 3845.106. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3845.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 3845.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.
Sec. 3845.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may make payments under a contract from taxes other than operation and maintenance taxes after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.154. TAXES FOR WATER, WASTEWATER, AND DRAINAGE PURPOSES. Taxes the district imposes for water, wastewater, and drainage facility construction and maintenance purposes, if any, are for the particular benefit of the area inside the district, do not generally or directly benefit the area inside the El Paso County Tornillo Water Improvement District as a whole, and do not duplicate a tax imposed by the El Paso County Tornillo Water Improvement District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.155. HOTEL OCCUPANCY TAX. (a) The district may impose a hotel occupancy tax in the manner provided by Section 351.002, Tax Code. A tax imposed under this section may not exceed the maximum rate provided by Section 351.003(a), Tax Code.

(b) The district may use revenue from the hotel occupancy tax for any district purpose that is an authorized use of hotel occupancy tax revenue under Chapter 351, Tax Code.

(c) If any territory of the district is annexed by a municipality or incorporates as a municipality, the district may not impose a hotel occupancy tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.
Sec. 3845.156. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose. Revenue from the sales and use tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax at a rate greater than two percent, and the rate of the tax when combined with the rates of all other sales and use taxes imposed in the district may not exceed the total combined sales and use tax rate imposed in the city of El Paso.

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

(d) If any territory of the district is annexed by a municipality or incorporates as a municipality, the district may not impose a sales and use tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.157. AUTHORITY TO TAX. The district may impose taxes only inside the district's boundaries.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 3845.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, revenue from economic development agreements under Chapter 381, Local Government Code, or other district money, or any combination of those sources, to pay for an authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.
Sec. 3845.202. TAXES FOR BONDS. (a) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of an ad valorem tax, without limit as to rate or amount, as required by Section 54.601, Water Code.

(b) The board shall impose the tax annually while all or part of the bonds are outstanding. Sections 54.601 and 54.602, Water Code, govern the amount and rate of the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

Sec. 3845.204. FINANCIAL RESPONSIBILITY OF EL PASO COUNTY TORNILLO WATER IMPROVEMENT DISTRICT. (a) This chapter may not be construed as creating an obligation of the El Paso County Tornillo Water Improvement District for a debt incurred by the district.

(b) Notwithstanding any other law, the El Paso County Tornillo Water Improvement District may not be held liable for a debt incurred by the district unless the debt is assumed by a resolution of the board of directors of the El Paso County Tornillo Water Improvement District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1079 (H.B. 4759), Sec. 1, eff. June 19, 2009.

CHAPTER 3846. EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3846.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(1-a) "Community venue project" or "venue project" means a
venue and related infrastructure that is planned, acquired, established, developed, constructed, or renovated under this chapter.

(1-b) "Development zone" means an economic development zone created by the district under Subchapter F.

(2) "District" means the East Montgomery County Improvement District.

(3) "Venue" means:

(A) an arena, coliseum, stadium, or other type of area or facility:

(i) that is used or is planned for use for one or more professional or amateur sports events, community events, or other sports events, including rodeos, livestock shows, agricultural expositions, promotional events, and other civic or charitable events; and

(ii) for which a fee for admission to the events is charged or is planned to be charged; or

(B) a convention center facility or related improvement such as a convention center, civic center, civic center building, civic center hotel, auditorium, theater, opera house, music hall, exhibition hall, rehearsal hall, park, zoological park, museum, aquarium, tourist development area along an inland waterway, or plaza.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.028, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1247 (S.B. 2453), Sec. 1(b), eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 717 (H.B. 737), Sec. 1, eff. June 17, 2011.

Sec. 3846.002. EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT. A special district known as the "East Montgomery County Improvement District" is a governmental agency and political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.
Sec. 3846.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare in the eastern area of Montgomery County.

(c) This chapter does not relieve Montgomery County or a governmental agency, political subdivision, or municipality from providing the level of services provided by the entity as of August 31, 1997, to the area of the district or to release the entity from the obligations each entity has to provide services to that area. The district is created to supplement and not to supplant the county, governmental agency, political subdivision, or municipal services provided in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works, projects, improvements, and services to be provided by the district under powers granted by Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) Each improvement project authorized by this chapter is essential to carry out a public purpose.

(d) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(e) The district will:

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

(2) promote and develop public transportation and pedestrian facilities and systems by new and alternative means, including securing expanded and improved transportation and pedestrian facilities and systems;

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

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

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

   (B) providing public services and facilities in and adjacent to the district that are necessary for the restoration, preservation, enhancement, and enjoyment of scenic and aesthetic beauty.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.005. DISTRICT TERRITORY. Except as the board may modify the territory of the district under Subchapter J, Chapter 49, Water Code, or other law, the territory of the district is coextensive with the territory as of January 1, 1997, of the New Caney Independent School District and the Splendora Independent School District except that the district does not include:

(1) any part of the City of Houston as it existed on January 1, 1997; and

(2) any portion of the New Caney Independent School District as it exists on or after September 1, 2001, that is located in Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.
Sec. 3846.006. TORT LIABILITY. The district is a governmental unit for purposes of Chapter 101, Civil Practice and Remedies Code, and operations of the district are considered for all purposes, including the application of that chapter, to be essential governmental functions and not proprietary functions.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3846.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of eight directors.

(b) Directors serve staggered terms of four years, with four directors' terms expiring July 1 of each even-numbered year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.052. ELECTION OF DIRECTORS. An election to elect the appropriate number of directors shall be held on the uniform election date in May of each even-numbered year as provided by Section 41.001(a), Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.053. QUALIFICATIONS OF DIRECTOR. (a) To be qualified to serve as a director, a person must be at least 18 years old and:

(1) a district resident;
(2) an owner of real property in the district;
(3) an owner of stock, whether beneficial or otherwise, of a corporate owner of real property in the district;
(4) an owner of a beneficial interest in a trust that owns real property in the district; or
(5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4).

(b) For purposes of this section, a person or entity that owns
an interest in a general or limited partnership owning real property in the district or that has a lease of real property in the district with a remaining term of 10 years or more, excluding options, is considered to be an owner of real property.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.054. PARTICIPATION IN VOTING. Regardless of a statute to the contrary, a person who qualifies to serve on the board is qualified to serve as a director and participate in all votes pertaining to the business of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.055. LAW GOVERNING ADMINISTRATION OF BOARD. Sections 375.066, 375.067, 375.069, and 375.070, Local Government Code, apply to the board as if the board were established under Chapter 375, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.056. OFFICERS. After the directors have been elected and have qualified as provided by Section 375.067, Local Government Code, they shall organize or reorganize by electing a chair, a vice chair, a secretary, and other officers of the board as the board considers necessary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3846.101. GENERAL POWERS OF DISTRICT. The district has:

(1) all powers necessary or required to accomplish the purposes for which the district was created;
(2) the rights, powers, privileges, and other functions of a municipal management district under Subchapter E, Chapter 375, Local Government Code; and

(3) the powers given to an industrial development corporation organized under the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.102. RULES. The district may adopt rules for:
(1) the administration and operation of the district;
(2) the use, enjoyment, availability, protection, security, and maintenance of the district's property, including facilities; and
(3) the provision of public safety and security in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.103. SPECIFIC POWERS RELATING TO IMPROVEMENT PROJECTS OR SERVICES. (a) The district may undertake an improvement project separately or jointly with another person and pay all or part of the costs of improvement projects, including an improvement project that:
(1) improves, enhances, or supports public safety and security, fire protection, emergency medical services, or law enforcement in the district;
(2) confers a general benefit on the entire district and the areas adjacent to the district; or
(3) confers a special benefit on all or part of the district.

(b) A district improvement project or service may include:
(1) the construction, acquisition, lease, rental, installment purchase, improvement, rehabilitation, repair, relocation, and operation of:
(A) landscaping; lighting, banners, or signs; streets or sidewalks, pedestrian or bicycle paths and trails; pedestrian walkways, skywalks, crosswalks, or tunnels; highway right-of-way or transit corridor beautification and improvements;
(B) drainage or storm water detention improvements and solid waste, water, sewer, or power facilities and services, including electrical, gas, steam, and chilled water facilities and services;

(C) parks, lakes, gardens, recreational facilities, open space, scenic areas, and related exhibits and preserves; fountains, plazas, or pedestrian malls; public art or sculpture and related exhibits and facilities; educational or cultural exhibits and facilities; exhibits, displays, attractions, or facilities for special events, holidays, or seasonal or cultural celebrations;

(D) off-street parking facilities, bus terminals, heliports, mass-transit, or roadway-borne or water-borne transportation systems; and

(E) other public improvements, facilities, or services similar to the improvements, facilities, or services described by Paragraphs (A)-(D);

(2) the cost of removal, razing, demolition, or clearing of land or improvements in connection with providing an improvement project;

(3) the acquisition of property or an interest in the property that is made in connection with an authorized improvement project; and

(4) the provision of special or supplemental services to improve or promote the area in the district or to protect the public health and safety in the district, including advertising, promotion, tourism, health and sanitation, public safety, security, fire protection or emergency medical services, business recruitment, development, elimination of traffic congestion, and recreational, educational, or cultural improvements, enhancements, or services.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.104. CONTRACTS; GRANTS; DONATIONS. (a) The district may contract with any person, including a municipality, county, other political subdivision, or corporation, to accomplish the purposes of this chapter on terms and for the period the board determines, including contracting for the payment, repayment, or reimbursement of costs incurred by the person on behalf of the district, including all
or part of the costs of an improvement project, from tax proceeds or any other specified source of money.

(b) The district may make application for and contract with a person to receive, administer, and perform the district's duties under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, donation, or other financial arrangement relating to the investigation, planning, analysis, acquisition, construction, completion, implementation, or operation of a proposed or existing improvement project.

(c) A state agency, municipality, county, other political subdivision, corporation, individual, or other person may contract with the district to carry out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.105. PEACE OFFICERS. The district may not employ peace officers, but may contract with off-duty peace officers to provide public safety and security services:

(1) in connection with a special event, holiday, period with high traffic congestion, or similar circumstance; and

(2) at district property, including facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.106. ECONOMIC DEVELOPMENT PROGRAMS. The district has the economic development powers granted a home-rule municipality with a population of more than 100,000 under Chapter 380, Local Government Code, and Subchapter A, Chapter 1509, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.107. ANNEXATION OR EXCLUSION OF TERRITORY. (a) The district may add or exclude territory in the manner provided by Subchapter J, Chapter 49, Water Code.

(b) Not later than the 10th day after the date on which the
district annexes or excludes territory, the board shall send to the comptroller a certified copy of any resolution, order, or ordinance relating to the annexation or exclusion.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.108. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

SUBCHAPTER D. SALES AND USE TAX; GENERAL FINANCIAL PROVISIONS

Sec. 3846.151. SALES AND USE TAX; EXCISE TAX. (a) For purposes of this section:

(1) "Taxable items" includes all items that could be subject to a sales and use tax imposed by Montgomery County.

(2) "Use," with respect to a taxable service, means the derivation in the district of direct or indirect benefit from the service.

(b) The district may impose a sales and use tax if authorized by a majority of the district voters voting at an election held for that purpose.

(c) If the district adopts a sales and use tax:

(1) a tax is imposed on the receipts from the sale at retail of taxable items in the district; and

(2) an excise tax is imposed on the use, storage, or other consumption in the district of taxable items purchased, leased, or rented from a retailer during the period that the tax is effective in the district.

(d) The rate of the excise tax is the same as the rate of the sales tax portion of the tax applied to the sales price of the taxable items and is included in the sales tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.
Sec. 3846.152. TAX ELECTION PROCEDURES. (a) Except as provided by Subsection (b), the board may order an election to adopt, change the rate of, or abolish a sales and use tax. The election may be held at the same time and in conjunction with a directors' election.

(b) The board may not call an election to abolish a sales and use tax or to reduce the rate of the sales and use tax below the amount pledged to secure payment of any outstanding district debt or contractual obligation while any district debt or contractual obligation remains outstanding.

(c) Notice of the election shall be given and the election shall be held in the manner prescribed for bond elections under Subchapter D, Chapter 49, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.030, eff. September 1, 2009.

Sec. 3846.153. BALLOT WORDING. (a) In an election to adopt the tax, the ballot shall be prepared to permit voting for or against the proposition: "The adoption of a local sales and use tax in the East Montgomery County Improvement District at the rate of (proposed tax rate)."

(b) In an election to change the rate of the sales and use tax, the ballot shall be prepared to permit voting for or against the proposition: "The (increase or decrease, as applicable) in the rate of the local sales and use tax imposed in the East Montgomery County Improvement District from (tax rate on election date) percent to (proposed tax rate) percent."

(c) In an election to abolish the sales and use tax, the ballot shall be prepared to permit voting for or against the proposition: "The abolition of the local sales and use tax in the East Montgomery County Improvement District."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.
Sec. 3846.154. IMPOSITION, COMPUTATION, ADMINISTRATION, AND GOVERNANCE OF TAXES. (a) Chapter 323, Tax Code, to the extent not inconsistent with this chapter, governs the application, collection, and administration of the sales and use tax and the excise tax, except that Sections 323.401-323.406, and 323.505, Tax Code, do not apply. Subtitles A and B, Title 2, and Chapter 151, Tax Code, govern the administration and enforcement of the sales and use tax and the excise tax.

(b) Chapter 323, Tax Code, does not apply to the use and allocation of revenue under this chapter.

(c) In applying Chapter 323, Tax Code:

(1) a reference in that chapter to "the county" means the district; and

(2) a reference in that chapter to the "commissioners court" means the board.

(d) The district is entitled to examine and receive information related to the imposition and collection of sales and use taxes to the same extent as if the district were a municipality under Subchapter D, Chapter 321, Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.155. TAX RATES. (a) The district may impose the sales and use tax in increments of one-eighth of one percent, with a minimum tax of one-half percent and a maximum tax of two percent.

(b) The district may not impose a sales and use tax of greater than one percent unless the voters of the district have approved the imposition of a rate of one percent or less in addition to the existing one percent rate at an election called for that purpose and conducted generally in the manner provided by Section 3846.152.

(c) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 717, Sec. 2, eff. June 17, 2011.

(d) If as a result of the imposition or increase in a sales and use tax by the district as provided under this section or Section 3846.152, the overlapping local sales and use taxes in a municipality or political subdivision located in the boundaries of the district will exceed two percent, the municipality's or political subdivision's sales and use tax is automatically reduced in that
municipality or political subdivision to a rate that, when added to the district's rate, does not exceed two percent.

(e) If the tax rate of a municipality or political subdivision is reduced in accordance with Subsection (d), the comptroller shall withhold from the district's monthly sales and use tax allocation an amount equal to the amount that would have been collected by the municipality or political subdivision had the district not imposed or increased its sales and use tax less amounts that the municipality or political subdivision collects following the district's imposition of or increase in its sales and use tax. The comptroller shall withhold and pay the amount withheld to the municipality or political subdivision under policies or procedures that the comptroller considers reasonable.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1247 (S.B. 2453), Sec. 3, eff. September 1, 2009.
Acts 2011, 82nd Leg., R.S., Ch. 717 (H.B. 737), Sec. 2, eff. June 17, 2011.

Sec. 3846.156. ABOLITION OF LOCAL SALES AND USE TAX. (a) Except as provided by Subsection (b), the board by order may abolish the local sales and use tax rate without an election.

(b) The board may not abolish the local sales and use tax while any district debt or contractual obligation remains outstanding if any sales and use tax revenue is pledged to secure payment of the outstanding debt or obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.031, eff. September 1, 2009.

Sec. 3846.157. USE OF TAX. The district may use the proceeds from a tax collected under this chapter only for the purposes for which the district was created.
Sec. 3846.158. EFFECTIVE DATE OF SALES AND USE TAX OR TAX CHANGE. The adoption of a sales and use tax rate or a change in the sales and use tax rate takes effect after the expiration of the first complete calendar quarter occurring after the date on which the comptroller receives a notice of the results of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Amended by: Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.032, eff. September 1, 2009.

Sec. 3846.1585. GENERAL AUTHORITY TO IMPOSE TAXES. The district may impose for any district purpose any tax authorized by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.033, eff. September 1, 2009.

Sec. 3846.159. AD VALOREM TAX PROHIBITED; EXCEPTION. Except as provided by Subchapter F, the district may not impose an ad valorem tax on property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Amended by: Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.034, eff. September 1, 2009.

Sec. 3846.160. FEES; CHARGES. The district may:
(1) establish and collect only at the district's facilities user fees, concession fees, admission fees, rental fees, or other similar fees or charges; and
(2) apply the proceeds from those fees or charges for the...
enjoyment, sale, rental, or other use of the district's facilities or other property, services, or improvement projects.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.161. CERTAIN RESIDENTIAL PROPERTY EXEMPT. The district may not impose an impact fee or assessment on a single-family residential property or a residential duplex, triplex, fourplex, or condominium.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Sec. 3846.162. BORROWING MONEY. The district may borrow money for the corporate purposes of the district and may issue bonds as authorized by Section 3846.164 for any district purpose, including for the purpose of an economic development program under Section 3846.106.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1247 (S.B. 2453), Sec. 4, eff. September 1, 2009.

Sec. 3846.163. PAYMENT OF EXPENSES. The district may provide or secure the payment or repayment of:
(1) an expense of the establishment, administration, or operation of the district;
(2) a district cost relating to an improvement project;
(3) a district contractual obligation or indebtedness, because of a lease, installment purchase contract, or other agreement; or
(4) a tax, user fee, concession fee, rental fee, or other revenue or resources of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03,
Sec. 3846.164. BONDS. (a) The board may issue bonds as provided by Subchapter J, Chapter 375, Local Government Code.

(b) In addition to the sources described in Subchapter J, Chapter 375, Local Government Code, bonds issued by the district may be secured and made payable, wholly or partly, by a pledge of all or part of the net proceeds the district receives from:

(1) a specified portion of not more than 75 percent of the maximum sales and use tax amount authorized under Section 3846.152;
(2) a specified portion of not more than 90 percent of the maximum sales and use tax imposed by a development zone;
(3) an ad valorem tax imposed by a development zone;
(4) a hotel occupancy tax;
(5) an event admissions tax;
(6) an event parking tax; and
(7) any other district revenue.

(c) Sections 375.207 and 375.208, Local Government Code, do not apply to bonds issued under this section.

(d) To the extent consistent with the documents authorizing the issuance of the district's bonds, the proceeds of bonds remaining after the payment of the cost of issuing the bonds and all costs associated with the projects for which the bonds were sold may be spent by the district for any lawful purpose or for any project the district is authorized to undertake.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.035, eff. September 1, 2009.

SUBCHAPTER E. DISSOLUTION

Sec. 3846.201. DISSOLUTION BY BOARD ORDER. The board by order may dissolve the district at any time unless the district has outstanding indebtedness or contractual obligations.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.
Sec. 3846.202. ADMINISTRATION OF DISTRICT PROPERTY FOLLOWING DISSOLUTION. (a) After the date the board orders the dissolution of the district, the board shall transfer ownership of all property and assets of the district to Montgomery County, except as provided by Subsection (b).

(b) If, on the date on which the board orders the dissolution of the district, more than 50 percent of the territory in the district is in the corporate limits of a municipality, the board shall transfer ownership of the district's property and assets to the municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.03, eff. April 1, 2009.

SUBCHAPTER F. ECONOMIC DEVELOPMENT ZONES

Sec. 3846.251. DEFINITIONS. In this subchapter:

(1) "Governing body" means the board of directors of a development zone.

(2) "Project" means the development or construction of a building, structure, facility, or other improvement on a parcel or tract in a development zone, or an expansion, enlargement, replacement, or relocation of a building, structure, facility, or other improvement in a development zone. The term includes a contractual obligation to reimburse a developer for money spent by the developer in the construction, development, expansion, enlargement, replacement, or relocation of a building, structure, facility, or other improvement in a development zone.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.036, eff. September 1, 2009.

Sec. 3846.252. NATURE OF DEVELOPMENT ZONE. A development zone is a political and corporate body and a political subdivision of the state, separate from the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.036, eff. September 1, 2009.
Sec. 3846.253. DEVELOPMENT ZONES AUTHORIZED. The board, on its own motion or on receipt of a petition signed by the owners of all real property in a defined area of the district consisting of one tract of land containing at least 25 contiguous acres and any additional smaller or larger tracts, as appropriate, by resolution may create, designate, describe, assign a name to, and appoint the governing body for a development zone in the district to promote development or redevelopment of the area, if the board finds that the creation of the zone will further the public purposes of:

(1) the development and diversification of the economy of the district and the state;
(2) the elimination of unemployment or underemployment in the district and the state;
(3) the development or expansion of transportation or commerce in the district and the state; or
(4) the promotion and stimulation of business, commercial, and economic activity in the district and the state.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.036, eff. September 1, 2009.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1247 (S.B. 2453), Sec. 5(b), eff. September 1, 2009.

Sec. 3846.254. PRELIMINARY FINANCING PLAN REQUIRED. Before designating a development zone, the board must prepare a preliminary financing plan for the zone that includes:

(1) estimated project costs, including administrative expenses;
(2) a description of the kind, number, and location of all proposed improvement projects in the zone;
(3) the estimated amount of:
   (A) bonded indebtedness to be incurred; or
   (B) the financial obligation of any other contractual obligation to be incurred;
(4) a description of the methods of financing and expected sources of revenue to pay for the costs of proposed improvement
projects; and
(5) the projected duration of the zone.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.036, eff. September 1, 2009.

Sec. 3846.255. RESTRICTION ON DEVELOPMENT ZONE IN RESIDENTIAL AREA. A development zone may not be created if more than 10 percent of the property in the proposed zone, other than property that is publicly owned, is used or planned for use for residential purposes. For purposes of this section, property is used for residential purposes if the property is occupied by a house that has fewer than five living units.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.036, eff. September 1, 2009.

Sec. 3846.256. RESOLUTION REQUIRED. The resolution designating an area as a development zone must:
(1) describe the boundaries of the zone sufficiently to identify with reasonable certainty the territory included;
(2) provide an effective date for the creation of the zone;
(3) provide a date for termination of the zone;
(4) assign a number to the name of the zone, which must be "East Montgomery County Improvement District Economic Development Zone No. ___";
(5) adopt a preliminary financing plan for the zone;
(6) provide the number of directors of the governing body of the zone, which must be at least five; and
(7) appoint the governing body for the zone or authorize the board to serve ex officio as the governing body of the zone.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.036, eff. September 1, 2009.

Sec. 3846.257. CONFIRMATION ELECTION REQUIRED. Upon approval by the board of a resolution designating an area as a development zone, the district shall call a confirmation election to confirm the
establishment of the zone in the manner prescribed by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.036, eff. September 1, 2009.

Sec. 3846.258. DEVELOPMENT ZONE GOVERNING BODY. (a) A member of the governing body who is not a district director shall be appointed for a term of two years, except that the appointment of the initial members of the governing body may provide for some terms to be limited to one year in order to achieve staggered terms of office. A member who is also a district director shall serve a term concurrent with the director's term on the district board.

(b) The district by appointment shall fill a vacancy on the governing body of the zone for the unexpired portion of the term.

(c) A member of a governing body must be at least 18 years of age, a citizen of the state, and a person described by Section 3846.053(b).

(d) A member of the board of directors of the district may be appointed to the governing body.

(e) Each member must qualify for office by subscribing to the constitutional oath of office for public officers and furnishing a fidelity bond issued by a responsible surety in the amount of $10,000 in favor of the development zone to secure faithful performance of the member's duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.036, eff. September 1, 2009.

Sec. 3846.259. ORGANIZATIONAL MEETING OF DEVELOPMENT ZONE GOVERNING BODY; OFFICERS. (a) Following appointment and qualification, the governing body of the development zone shall meet and organize by electing a president, a vice president, a secretary-treasurer, and other officers the governing body considers appropriate.

(b) If the governing body of the development zone is composed entirely of directors of the district, each director of the development zone holds the same office the director holds as a director of the district.
Sec. 3846.260. DEVELOPMENT ZONE BOUNDARIES. The boundaries of a development zone may be reduced or enlarged in the manner provided by this subchapter for creation of a zone, except that the boundaries may not be reduced to less than 25 contiguous acres. A development zone may be enlarged to include noncontiguous tracts only if on the date the zone is enlarged the zone contains at least one tract consisting of at least 25 contiguous acres. A confirmation election is not required for an enlargement if:

(1) all landowners of the area proposed to be added consent to the enlargement and the tax authorization in the zone; and

(2) the enlarged area does not have any registered voters who reside in the area.

Sec. 3846.261. PROJECT PLAN AND DEVELOPMENT ZONE FINANCING PLAN REQUIRED. Subject to approval by resolution of the district board, the governing body shall prepare and adopt, and may amend, a project plan and a development zone financing plan for the development zone.

Sec. 3846.262. FINANCING AND IMPLEMENTATION OF DEVELOPMENT ZONE PROJECT PLAN. The governing body of a development zone may exercise, or by order may delegate to the district, any powers and duties relating to the financing and implementation of the project plan for the zone, including the power and authority to:

(1) issue bonds or notes in the name of the zone in the same manner as Chapter 375, Local Government Code, provides for a municipal management district;
(2) impose an ad valorem tax, assessment, or other charge in the zone, in the same manner as Chapter 375, Local Government Code, provides for a municipal management district, and as authorized by Section 3846.265 if the ad valorem tax has been approved by the voters in the development zone at an election held for that purpose; and

(3) impose a sales and use tax, as authorized by Section 3846.264, if the sales and use tax has been approved by the voters in the development zone at an election held for that purpose.

Sec. 3846.263. AGREEMENTS TO IMPLEMENT PLANS. (a) The board and the governing body each may enter into any agreement considered necessary or convenient to implement a project plan and development zone financing plan and achieve their purposes.

(b) An agreement may provide for the regulation or restriction of the use of land by imposing conditions, restrictions, or covenants that run with the land.

(c) An agreement may provide that a restriction adopted by the governing body continues in effect after the termination of the development zone.

(d) The district and the development zone may agree that the district will provide administration, management, investment, accounting, and other services for the zone in consideration for an administrative fee not to exceed five percent of the gross revenue of the development zone and for the benefits received by the district through the implementation of the project plan for the zone. The district may pledge all or part of the proceeds of its sales and use tax to secure and pay any bonds or other financial obligations of a development zone on approval of the board subject to Section 3846.164.

Sec. 3846.264. DEVELOPMENT ZONE SALES AND USE TAX. (a) If approved at an election by a majority of the voters in the
development zone voting in an election held for that purpose, the
governing body may adopt or repeal a sales and use tax of not more
than two percent less the amount of the sales and use tax approved by
the district voters under Section 3846.151.

(b) An election on the adoption or repeal of the maximum rate
of sales and use tax may be held by the governing body as provided by
Section 3846.152 as applied to a development zone.

(c) An election to adopt the sales and use tax authorized by
this section may be held in conjunction with the confirmation
election described by Section 3846.257.

(d) After adoption at an election, the governing body may
impose any portion of the sales and use tax, in increments of not
less than one-eighth of one percent, for the benefit of the zone, by
order of the governing body.

(e) The sales and use tax is in addition to the limited sales
and use tax authorized and imposed by the district under Section
3846.151.

(f) If a political subdivision, including a municipality,
imposes a sales and use tax in the development zone, the sales and
use tax authorized by this section is reduced as of the date the
development zone authorized the sales and use tax so that the
combined total of all local sales and use taxes imposed in the
development zone does not exceed two percent.

(g) The sales and use tax becomes effective on the first day of
the calendar quarter following the date the comptroller receives
written notice of the imposition of the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.036,
eff. September 1, 2009.

Sec. 3846.265. DEVELOPMENT ZONE PROPERTY TAX. (a) If approved
at an election by a majority of the voters in the development zone
voting in an election held for that purpose, the governing body may
authorize a tax on all taxable property in a development zone created
wholly or partly in the boundaries of East Montgomery County Utility
District No. 5, 6, or 7, or Valley Ranch Municipal Utility District
No. 1 at a rate not to exceed 10 cents on each $100 valuation as
determined by the Montgomery County Appraisal District.

(b) The election may be held in conjunction with the
confirmation election held under Section 3846.257.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.036, eff. September 1, 2009.

SUBCHAPTER G. COMMUNITY VENUES

Sec. 3846.301. VENUE PROJECTS AUTHORIZED. (a) The district by resolution may provide for the planning, acquisition, establishment, development, construction, or renovation of a venue project.

(b) The resolution must designate each venue project and each method of financing authorized by this chapter that the district intends to use to finance a project. A resolution may designate more than one method of financing.

(c) The district may contract with a public or private person to plan, acquire, establish, develop, construct, or renovate a venue project.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.037, eff. September 1, 2009.

Sec. 3846.302. VENUE PROJECT FUND. (a) The district shall establish by resolution a fund known as the community venue project fund. The district shall establish separate accounts in the fund for the various revenue sources.

(b) The district shall deposit into the community venue project fund:

(1) the proceeds of any tax imposed by the district under Subchapters H and I;

(2) all revenue from the sale of bonds or other obligations by the district under this chapter; and

(3) any other money required by law to be deposited in the fund.

(c) The district may use money in the community venue project fund to:

(1) reimburse or pay the costs of planning, acquiring, establishing, developing, constructing, or renovating one or more venue projects in the district;

(2) pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the district to
refund bonds, notes, or other obligations;

(3) pay the costs of operating or maintaining one or more
venue projects; or

(4) pay the administrative costs of the district associated
with the operation and administration of one or more venue projects.

(d) Money deposited into the community venue project fund is
the property of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.037,
eff. September 1, 2009.

Sec. 3846.303. BONDS AND OTHER OBLIGATIONS FOR VENUE PROJECTS. The district may issue bonds, including revenue bonds and refunding
bonds, or other obligations to pay the costs of the venue project.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.037,
eff. September 1, 2009.

SUBCHAPTER H. EVENT ADMISSIONS TAX

Sec. 3846.351. EVENT ADMISSIONS TAX AUTHORIZED. (a) The
district by order may impose a tax on each ticket sold as admission
to an event held at a venue project in the district for which the
district has issued bonds or undertaken a contractual obligation to
reimburse costs expended to plan, acquire, establish, develop,
construct, or renovate the venue project.

(b) The district may not impose the tax for admission to an
event at a venue that is not a community venue project or for which
the district has not issued bonds or entered into a contractual
obligation to reimburse costs expended to plan, acquire, establish,
develop, construct, or renovate the venue project.

(c) The district may impose the tax only if a venue project is
or will be located in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.038,
eff. September 1, 2009.

Sec. 3846.352. EVENT ADMISSIONS TAX RATE. (a) The tax
authorized by this subchapter is imposed at the tax rate on each
ticket sold as admission to an event held at a venue.

(b) The amount of the tax may be imposed at any uniform percentage not to exceed 10 percent of the price of the ticket sold as admission to an event held at a venue.

(c) The district by order may increase, repeal, or decrease the rate of the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.038, eff. September 1, 2009.

Sec. 3846.353. COLLECTION OF EVENT ADMISSIONS TAX. (a) The district by order may require the owner or lessee of a venue project in the district to collect a tax imposed under this subchapter for the benefit of the district.

(b) An owner or lessee required to collect the tax shall add the tax to the admissions price, and the tax is a part of the admissions price, a debt owed to the owner or lessee of a venue project by the person admitted, and recoverable at law in the same manner as the admissions price.

(c) A person required to collect the tax shall report and send the taxes to the district as provided by the district.

(d) The district by order may prescribe penalties, including interest charges, for failure to keep records required by the district, to report when required, or to pay the tax when due. The district may bring suit against a person who fails to collect the tax and to pay it over to the district as required.

(e) The district by order may permit a person who is required to collect the tax to retain a percentage of the amount collected and required to be reported as reimbursement to the person for the costs of collecting the tax. The district may provide that the person may retain the amount only if the person pays the tax and files reports as required by the district.

(f) The tax is not an occupation tax imposed on the owner or lessee of the venue project.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.038, eff. September 1, 2009.
ADMISSIONS TAX. (a) A tax imposed under this subchapter or a change in the rate of the tax takes effect on the date prescribed by the order imposing the tax or changing the rate.

(b) Except as provided by Subsection (c), the district may impose the tax only if the district issues bonds or enters into a contractual obligation under Subchapter G.

(c) The district may continue to impose the tax after any financial obligations have been fulfilled if the tax revenue is used as authorized by Section 3846.004(e) or 3846.302(c).

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.038, eff. September 1, 2009.

SUBCHAPTER I. EVENT PARKING TAX

Sec. 3846.401. EVENT PARKING TAX AUTHORIZED. (a) The district by order may impose a tax on each motor vehicle parking in a parking facility of a community venue project.

(b) The district may impose the tax during any time the parking facility is being used.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.039, eff. September 1, 2009.

Sec. 3846.402. EVENT PARKING TAX RATE. (a) The district by order may provide that the tax authorized by this subchapter is imposed at a flat amount on each parked motor vehicle or is imposed as a percentage of the amount charged for event parking by the owner or lessee of the parking facility.

(b) Regardless of the method of imposition, the amount of the tax may not exceed the amount allowed by Section 334.202(b), Local Government Code.

(c) The district by order may increase, repeal, or decrease the rate of the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.039, eff. September 1, 2009.

Sec. 3846.403. COLLECTION OF EVENT PARKING TAX. (a) The
district by order may require the owner or lessee of a parking facility to collect a tax imposed under this subchapter for the benefit of the district.

(b) An owner or lessee required to collect the tax shall add the tax to the parking charge, and the tax is a part of the parking charge, a debt owed to the parking facility owner or lessee by the person parking, and recoverable at law in the same manner as the parking charge.

(c) A person required to collect the tax shall report and send the taxes to the district as provided by the district.

(d) The district by order may prescribe penalties, including interest charges, for failure to keep records required by the district, to report when required, or to pay the tax when due. The district may bring suit against a person who fails to collect the tax and to pay it over to the district as required.

(e) The district by order may permit a person who is required to collect the tax to retain a percentage of the amount collected and required to be reported as reimbursement to the person for the costs of collecting the tax. The district may provide that the person may retain the amount only if the person pays the tax and files reports as required by the district.

(f) The tax is not an occupation tax imposed on the owner or lessee of the parking facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.039, eff. September 1, 2009.

Sec. 3846.404. EFFECTIVE DATE AND ENDING DATE OF EVENT PARKING TAX. (a) A tax imposed under this subchapter or a change in the rate of the tax takes effect on the date prescribed by the order imposing the tax or changing the rate.

(b) Except as provided by Subsection (c), the district may impose the tax only if the district issues bonds or enters into other contractual obligations under Subchapter G.

(c) The district may continue to impose the tax after any financial obligations have been fulfilled if the tax revenue is used as authorized by Section 3846.004(e) or 3846.302(c).

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.039, eff. September 1, 2009.
SUBCHAPTER J.  HOTEL OCCUPANCY TAX

Sec. 3846.451.  DEFINITION.  In this subchapter, "hotel" has the meaning assigned by Section 156.001, Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.040, eff. September 1, 2009.

Sec. 3846.452.  APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.  
(a) Chapter 352, Tax Code, governs a hotel occupancy tax authorized by this subchapter, including the collection of the tax.

(b) For purposes of this subchapter, a reference:

(1) in Subchapter B, Chapter 351, Tax Code, to a municipality is a reference to the district and a reference to the municipality's officers or governing body is a reference to the board; and

(2) in Subchapter A or B, Chapter 352, Tax Code, to a county is a reference to the district and a reference to the county's officers or governing body is a reference to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.040, eff. September 1, 2009.

Sec. 3846.453.  HOTEL OCCUPANCY TAX AUTHORIZED.  The board by order may impose, repeal, increase, or decrease the rate of a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that:

(1) is in a hotel located wholly or partly in the district;

(2) costs $2 or more each day; and

(3) is ordinarily used for sleeping.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.040, eff. September 1, 2009.

Sec. 3846.454.  LIMITATION ON HOTEL OCCUPANCY TAX RATE.  The tax rate may not exceed the maximum rate allowed under Section 352.003,
Sec. 3846.455. USE OF HOTEL OCCUPANCY TAX.  (a) The district may use the proceeds from a hotel occupancy tax imposed under this subchapter for any district purpose and for any purpose described by Section 351.101 or 352.1015, Tax Code, to the extent the board considers appropriate.

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

(1) advertising and promoting tourism;

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

(A) conferences, conventions, and exhibitions;
(B) manufacturer, consumer, or trade shows; and
(C) civic, community, or institutional events;

(3) encouraging and promoting the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and related fields, painting, sculpture, photography, graphic arts and crafts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms;

(4) historical restoration and preservation projects; and

(5) activities, advertising, solicitations, and promotional programs to encourage tourists to visit preserved historic sites or museums.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.040, eff. September 1, 2009.
Sec. 3846.456. EXEMPTION FROM HOTEL OCCUPANCY TAX. This subchapter does not apply to a hotel located wholly or partly in the city of Splendora as the boundaries of that city existed on April 1, 2007.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.040, eff. September 1, 2009.

CHAPTER 3847. AIRLINE IMPROVEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3847.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Airline Improvement District.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.002. AIRLINE IMPROVEMENT DISTRICT. The Airline Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

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

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

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June
Sec. 3847.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

1. Section 3847.006;
2. Subchapter J, Chapter 49, Water Code; or
3. other law.

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

1. organization, existence, or validity;
2. right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. right to impose or collect an assessment or tax; or
4. legality or operation.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.006. ANNEXATION OF CERTAIN TERRITORY BY GOVERNING BODY OF MUNICIPALITY. (a) If territory in the City of Houston's limit or extraterritorial jurisdiction is included in the district, the city's governing body may remove that territory from the district if the district does not have any bonded indebtedness.

(b) To remove the territory, the governing body of the City of Houston must notify the board secretary in writing that the territory is excluded from the district's territory.

(c) If a municipality annexes territory that is in its extraterritorial jurisdiction and included in the district, the governing body of the municipality shall notify the board secretary in writing that the annexed territory is excluded from the district's territory.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.
Sec. 3847.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3847.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of nine voting directors who serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

(b) Two voting directors must reside in the district.

(c) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district, subject to Section 375.061, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.052. APPOINTMENT AND REMOVAL OF DIRECTORS. Sections 375.064 and 375.065, Local Government Code, govern the appointment and removal of voting directors, except that for purposes of this chapter references in those sections to the governing body of the municipality mean the commissioners court of Harris County.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.
Sec. 3847.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors. Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.054. QUORUM. (a) Section 375.071, Local Government Code, does not apply to the district. (b) One-half of the board constitutes a quorum. (c) Except as provided by Section 3847.152, a concurrence of a majority of a quorum is required for any official district action. (d) Nonvoting directors are not counted for the purposes of establishing a board quorum. Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3847.101. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a corporation created under Chapter 505, Local Government Code. Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005. Amended by: Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.65, eff. April 1, 2009.

Sec. 3847.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter. (b) The nonprofit corporation: (1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and (2) may implement any project and provide any service authorized by this chapter.
(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.103. CONTRACT WITH POLITICAL SUBDIVISION. Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this section may:

(1) be for a period on which the parties agree;
(2) include terms on which the parties agree;
(3) be payable from taxes or any other source of revenue that may be available for that project or service; and
(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.105. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of
the City of Houston's governing body:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project financed by the bond; and

(3) of the plans and specifications of any district improvement project related to the use of land owned by Harris County, an easement granted by Harris County, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.107. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3847.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the
district's money.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.152. BOARD VOTE REQUIRED TO AUTHORIZE TAXES, ASSESSMENTS, IMPACT FEES, OR BONDS. (a) A majority vote of the directors serving is required to authorize the imposition of a tax, assessment, or impact fee.

(b) The written consent of at least two-thirds of all voting directors is required to authorize the issuance of a bond.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.153. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3847.157, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.154. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of the
tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.156. PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. (a) The district may not impose an impact fee or assessment under Chapter 375, Local Government Code, on a residential
property, including a multiunit residential property, or a condominium.

(b) The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility as defined by Section 31.002, Utilities Code; or

(2) a telecommunications provider as defined by Section 51.002, Utilities Code.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.157. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may include more than one purpose in a single proposition at an election.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

Sec. 3847.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3847.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the
district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

Added by Acts 2005, 79th Leg., Ch. 572 (H.B. 1458), Sec. 1, eff. June 17, 2005.

CHAPTER 3848. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 8

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3848.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "District" means the Harris County Improvement District No. 8.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 8. The Harris County Improvement District No. 8 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, the Metropolitan Transit Authority of Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain transportation, parking, housing,
recreation, the arts, safety, scenic beauty, and the public welfare in the area of the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of September 1, 2007, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district will:

(1) promote the health, safety, and general welfare of district residents and the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the area as a residential neighborhood and a commercially viable area; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(d) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(e) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.
Sec. 3848.005. DISTRICT TERRITORY. The district is composed of the territory described by Section 3 of the Act enacting this chapter, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3848.051. COMPOSITION; TERMS. (a) The district is governed by a board of nine voting directors who serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may increase or decrease the number of voting directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than nine; or
(2) decrease the number of directors to fewer than five.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.
Sec. 3848.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the following departments of the City of Houston or a person designated by that director:
   (A) parks and recreation;
   (B) planning and development; and
   (C) public works; and

(2) the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.054. QUORUM. (a) A majority of the board is a quorum.

(b) Nonvoting directors and vacant director positions are not counted for the purposes of establishing a board quorum.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.
Sec. 3848.055. COMPENSATION OF VOTING DIRECTORS. Voting directors may receive fees of office and reimbursement of expenses as provided by Section 49.060, Water Code.

Added byActs 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 3848.101. DEVELOPMENT CORPORATION AND HOUSING CORPORATION POWERS OF DISTRICT. The district may exercise the powers given to:
(1) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that chapter; and
(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added byActs 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.041, eff. September 1, 2009.

Sec. 3848.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.
(b) The nonprofit corporation:
(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.
(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.
Sec. 3848.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.  
(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.104. CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.105. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Houston's governing body for:  
(1) the issuance of a bond for each improvement project;  
(2) the plans and specifications of the improvement project financed by the bond; and  
(3) the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.  
(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.
Sec. 3848.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and
(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.107. ROAD POWERS. The district may exercise the powers given to:

(1) a road district created under Chapter 257, Transportation Code; and
(2) a road utility district created under Chapter 441, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.108. AIR RIGHTS; CONSTRUCTION. The district may acquire air rights and may construct improvements on property on which it only owns air rights.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.109. ADDITIONAL PROPERTY RIGHTS; LEASEHOLDS. The district may construct improvements on property on which it only has a leasehold interest and may own undivided interests in buildings and other improvements.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.
Sec. 3848.151. PUBLIC TRANSIT SYSTEM. The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

Sec. 3848.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities, including:
(1) lots, garages, parking terminals, or other structures or accommodations for the parking of motor vehicles; and
(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in the parking of vehicles.
(b) A parking facility of the district must be either leased to or operated on behalf of the district by a private entity or an entity other than the district. The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution, and accomplish a public purpose under that section even if leased or operated by a private entity for a term of years.
(c) The district's public parking facilities and any lease to a private entity are exempt from the payment of ad valorem taxes and state and local sales and use taxes.

Sec. 3848.153. RULES. The district may adopt rules covering its public transit system or its public parking facilities except that a rule relating to or affecting the use of the public right-of-
way or a requirement for off-street parking is subject to all applicable municipal charter, code, or ordinance requirements.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring and operating a public transit system or public parking facilities.

(b) The district may set and impose fees, charges, or tolls for the use of the public transit system or the public parking facilities and may issue bonds or notes to finance the cost of these facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 3848.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.202. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3848.207, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) administer the district;
(2) maintain and operate the district;
(3) construct or acquire improvements; or
(4) provide a service.

(b) The board shall determine the tax rate.

(c) An owner of real property in the district, except property exempt under the Texas or United States Constitution or under the Tax
Code, is liable for the payment of ad valorem taxes imposed by the district on the property.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.203. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.204. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as
defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.205. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.206. LIMIT ON PARKS AND RECREATION BONDS. Bonds issued to finance parks and recreational facilities may not exceed one percent of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.207. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem
(b) The board may not include more than one purpose in a single proposition at an election.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

Sec. 3848.208. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

SUBCHAPTER F. DISSOLUTION

Sec. 3848.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1315 (S.B. 1123), Sec. 2, eff. June 15, 2007.

CHAPTER 3849. INTERNATIONAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3849.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the International Management District.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.
Sec. 3849.002. INTERNATIONAL MANAGEMENT DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and
is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Section 3849.106;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;

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

(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

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

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 3849.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 11 voting directors who serve staggered terms of four years, with five or six directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.052. APPOINTMENT OF DIRECTORS ON INCREASE IN BOARD SIZE. If the board increases the number of directors under Section 3849.051, the board shall appoint qualified persons to fill the new director positions and shall provide for staggering the terms of the directors serving in the new positions.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.053. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.054. QUORUM. For purposes of determining whether a quorum of the board is present, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification; or

(2) a director who is abstaining from participation in a vote because of a conflict of interest.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3849.101. GENERAL POWERS. The district may exercise all powers necessary to accomplish the purposes for which the district was created.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.102. EXERCISE OF POWERS OF OTHER GOVERNMENTAL ENTITIES. The district has the powers of:

(1) a corporation created under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that chapter; and

(2) a housing finance corporation created under Chapter 394, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.042, eff. September 1, 2009.

Sec. 3849.103. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors
of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.104. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person. (b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.105. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified party, including Harris County or the City of Houston, to provide law enforcement services in the district for a fee.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.106. ANNEXATION OR EXCLUSION OF TERRITORY. The district may annex or exclude land from the district in the manner provided by Subchapter C, Chapter 375, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.107. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (c), the district must obtain the approval of the City of Houston's governing body for:
(1) the issuance of bonds for an improvement project;
(2) the plans and specifications of an improvement project financed by the bonds; and
(3) the plans and specifications of an improvement project.
related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) The approval obtained under Subsection (a) for the issuance of bonds must be a resolution by the City of Houston. The approval obtained under Subsection (a) for plans and specifications must be a permit issued by the City of Houston.

(c) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.109. ECONOMIC DEVELOPMENT PROGRAMS AND OTHER POWERS RELATED TO PLANNING AND DEVELOPMENT. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.
Sec. 3849.110. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3849.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

1. the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

2. at least 50 owners of real property in the district, if more than 50 persons own real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.
Sec. 3849.154. METHOD OF NOTICE FOR HEARING. (a) The district shall mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the type of notice required based on whether adequate notice is provided by the method.

(b) If the district uses first class mail to provide the notice, the district must also publish the notice in a newspaper of general circulation in the district not later than the 20th day before the date of the event for which notice was provided.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.
Sec. 3849.156. ASSESSMENTS CONSIDERED TAXES. For purposes of a title insurance policy issued under Title 11, Insurance Code, an assessment is a tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.157. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3849.162, the district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.158. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.
Sec. 3849.159. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:

1) burying or removing electrical power lines, telephone lines, cable or fiber optic lines, or any other type of electrical or optical line;

2) removing poles and any elevated lines using the poles; or

3) reconnecting the lines described by Subdivision (2) to the buildings or other improvements to which the lines were connected.

(b) The district may acquire, operate, or charge fees for the use of the district conduits for:

1) another person's:
   A) telecommunications network;
   B) fiber-optic cable; or
   C) electronic transmission line; or

2) any other type of transmission line or supporting facility.

(c) The district may not require a person to use a district conduit. This subsection does not diminish or disturb the rights and obligations of an electric utility or a telephone or telegraph corporation under Sections 181.042 and 181.082, Utilities Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.160. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff.
Sec. 3849.161. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose the continuing direct ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.162. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes an ad valorem tax or issues bonds payable from ad valorem taxes. The proposition for an election approving an ad valorem tax must specify the maximum tax rate authorized.

(b) The board may submit multiple purposes in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.163. CITY OF HOUSTON NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the City of Houston is not required to pay a bond, note, or
other obligation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.164. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

Sec. 3849.165. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. DISSOLUTION

Sec. 3849.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.
(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

Added by Acts 2007, 80th Leg., R.S., Ch. 949 (H.B. 4004), Sec. 1, eff. June 15, 2007.

CHAPTER 3850. GREATER SHARPSTOWN MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3850.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Greater Sharpstown Management
Sec. 3850.002. GREATER SHARPSTOWN MANAGEMENT DISTRICT. The Greater Sharpstown Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

1. further the public purposes of developing and diversifying the economy of the state;
2. eliminate unemployment and underemployment; and
3. develop or expand transportation and commerce.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.005. PARKING. A parking improvement is considered to be a street or road improvement.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.
Sec. 3850.006. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.007. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by a municipality under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by a municipality under Chapter 312, Tax Code; or
(3) an enterprise zone created by a municipality under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.008. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.
Sec. 3850.009. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3850.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of nine voting directors who serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the following departments of the City of Houston or a person designated by that director:

(A) parks and recreation;
(B) planning and development;
(C) public works; and
(D) civic center; and

(2) the City of Houston's chief of police.
(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.054. QUORUM. For purposes of determining whether a quorum of the board is present, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3850.101. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a corporation created under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that chapter.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.66, eff. April 1, 2009.

Sec. 3850.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or
providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a law enforcement services provider, including Harris County or the City of Houston, to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.105. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (c), the district must obtain the approval of the City of Houston's governing body for:

(1) the issuance of bonds for an improvement project;
the plans and specifications of an improvement project financed by the bonds; and
the plans and specifications of an improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) The approval obtained under Subsection (a) for the issuance of bonds must be a resolution by the City of Houston. The approval obtained under Subsection (a) for plans and specifications must be a permit issued by the City of Houston.

(c) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.107. ECONOMIC DEVELOPMENT PROGRAMS AND OTHER POWERS RELATED TO PLANNING AND DEVELOPMENT. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.
Sec. 3850.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3850.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition requesting a project financed by assessment must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of real property in the district, if
more than 50 persons own real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.154. METHOD OF NOTICE FOR HEARING. (a) The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the type of notice required based on whether adequate notice is provided by the method.

(b) If the district uses first class mail to provide the notice, the district must also publish the notice in a newspaper of general circulation in the district not later than the 20th day before the date of the event for which notice was provided.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.
(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.156. LIMITATION ON AMOUNT OF CERTAIN ASSESSMENTS. An assessment based on the taxable value of real property may not exceed 12 cents per $100 of assessed valuation of taxable property in the district, according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.157. PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS. An assessment levied in the district for a public improvement district under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, may be used only under the terms for which the assessment was levied. Money raised by an assessment in the public improvement district under that chapter must be used in the public improvement district, and may not be transferred for use outside the area for which the assessment was originally levied.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Amended by:
 Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.043, eff. September 1, 2009.

Sec. 3850.158. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.159. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3850.162, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.160. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) The district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.161. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad
valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad
valorem tax, without limit as to rate or amount, for each year that
all or part of the bonds are outstanding; and

(2) the district annually shall impose the continuing
direct ad valorem tax on all taxable property in the district in an
amount sufficient to:

(A) pay the interest on the bonds or other obligations
as the interest becomes due;

(B) create a sinking fund for the payment of the
principal of the bonds or other obligations when due or the
redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June
17, 2005.

Sec. 3850.162. TAX AND BOND ELECTIONS. (a) The district shall
hold an election in the manner provided by Subchapter L, Chapter 375,
Local Government Code, to obtain voter approval before the district
imposes an ad valorem tax or issues bonds payable from ad valorem
taxes. The proposition for an election approving an ad valorem tax
must specify the maximum tax rate authorized.

(b) Section 375.243, Local Government Code, does not apply to
the district.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June
17, 2005.

Sec. 3850.163. CITY OF HOUSTON NOT REQUIRED TO PAY DISTRICT
OBLIGATIONS. Except as provided by Section 375.263, Local Government
Code, the City of Houston is not required to pay a bond, note, or
other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June
17, 2005.

Sec. 3850.164. COMPETITIVE BIDDING. Section 375.221, Local
Government Code, applies to the district only for a contract that has a value greater than $25,000.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.165. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3850.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.

(a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

For contingent expiration of this chapter, see Section 3851.055.

**CHAPTER 3851. TRIPLE CREEK MUNICIPAL MANAGEMENT DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3851.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "City" means the city of McLendon-Chisholm.

(3) "District" means the Triple Creek Municipal Management District.

(4) "Improvement project" means a program or project authorized by Section 3851.102, inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff.
Sec. 3851.002. CREATION AND NATURE OF DISTRICT. The Triple Creek Municipal Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in Section 375.001, Local Government Code, and Section 54.012, Water Code. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to accomplish the purposes stated in Section 375.001, Local Government Code, and Section 54.012, Water Code.
Sec. 3851.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under Section 3851.106.

(b) A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, or validity;
(2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;
(3) the district's right to impose or collect an assessment, tax, or any other revenue; or
(4) the legality or operation of the board.

Sec. 3851.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3851.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring November 30 of each even-numbered year.
Sec. 3851.052. ELECTION DATE. The board shall hold elections for directors on the uniform election date in November in even-numbered years.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.053. ELIGIBILITY. To be qualified to serve as a director, a person must be at least 18 years of age and:

(1) reside in the district and be qualified to vote;
(2) own real property in the district; or
(3) have served as an initial director.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.054. VACANCY. The remaining directors shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3851.053.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.055. DISTRICT CONFIRMATION ELECTION. (a) As soon as practicable after all initial directors have qualified for office, the board shall hold an organizational meeting and call a confirmation election to be held not later than the second uniform election date occurring after the date of the organizational meeting.

(b) The board shall hold the confirmation election to confirm the establishment of the district in the manner provided by Subchapter D, Chapter 49, Water Code, not later than the second uniform election date after:

(1) the governing body of the city, by resolution, consents to the holding of the election; and
(2) the district and the city agree on the development plans and rules for the district.

(c) Before the district is confirmed at an election, the district may carry on business as the board may determine except that
the district may not borrow money or impose or assess a tax or an assessment.

(d) If the creation of the district is not confirmed at a confirmation election held before September 1, 2010:
   (1) the district is dissolved on September 1, 2010, except that the district shall:
       (A) pay any debts incurred;
       (B) transfer to the city any assets that remain after the payment of debts; and
       (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and
   (2) this chapter expires September 1, 2010.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3851.101. GENERAL POWERS AND DUTIES. The district has the powers and duties provided by:
   (1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code;
   (2) the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code;
   (3) Subchapter A, Chapter 372, Local Government Code, in the same manner as a municipality or a county; and
   (4) Chapters 375 and 505, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.044, eff. September 1, 2009.

Sec. 3851.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, improvement projects or activities in support of or incidental to district projects authorized under
Section 3851.101.

(b) An improvement project must comply with any applicable city codes and ordinances.

(c) The district may not provide, conduct, or authorize any improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

(d) Subject to the agreement required by Section 3851.055(b)(2), the city may:

(1) require that title to all or any portion of an improvement project vest in the city; or

(2) by ordinance or other directive authorize the district to own, encumber, maintain, and operate an improvement project, subject to the right of the city to order a conveyance of the project to the city on a date determined by the city.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.103. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) contract with a state agency, municipality, county, other political subdivision, corporation, individual, or other entity to carry out the purposes of the district, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) apply for and contract with a state agency, municipality, county, other political subdivision, corporation, individual, or other entity to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.
(b) A contract payable from ad valorem taxes for a period longer than one year must be approved by the governing body of the city.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.104. RULES; ENFORCEMENT. (a) The district may adopt and enforce rules:

(1) to administer or operate the district;
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's properties and facilities; or
(3) to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.105. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to the city.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.106. ADDING OR REMOVING TERRITORY. The board may add or remove territory under Subchapter J, Chapter 49, and Section 54.016, Water Code, except that:

(1) the addition or removal of the territory must be approved by:
   (A) the governing body of the city; and
   (B) the owners of the territory being added or removed;
(2) a reference to a tax in Subchapter J, Chapter 49, or Section 54.016, Water Code, means an ad valorem tax; and
(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad
valorem taxes on the territory are outstanding.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3851.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. The district may:

(1) impose an ad valorem tax in accordance with Chapter 375, Local Government Code, on all taxable property in the district to pay for an improvement project;

(2) impose an assessment or impact fee in the manner provided for a municipality or county under Subchapter A, Chapter 372, Local Government Code, on all industrial, commercial, and residential property in the district to pay for an improvement project;

(3) impose a rate, fee, including an impact fee, or charge for the use of an improvement project or the consumption of a product resulting from an improvement project;

(4) borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for the district purpose;

(5) establish, revise, repeal, enforce, collect, and apply the proceeds from a user fee or charge for the enjoyment, sale, rental, or other use of a district facility, service, property, or improvement project;

(6) provide or secure the payment or repayment of the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by or through a lease, installment purchase contract, or other agreement with any person, or the imposition of taxes, assessments, user fees, concessions, rentals, or other revenue or resources of the district;

(7) establish user charges related to the operation of various public services, including public water supply services, for the collection and treatment of wastewater, and for the operation of storm-water facilities, including the regulation of storm water for
the protection of water quality in the district; and

(8) undertake separately or jointly with other persons, including the city, Kaufman County, or Rockwall County, all or part of the cost of an improvement project, including an improvement project:

(A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or

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

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.152. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a) The district may impose an impact fee or assessment on property in the district, including an impact fee or assessment on residential or commercial property, only in the manner provided by Subchapter A, Chapter 372, or Subchapter F, Chapter 375, Local Government Code, for a municipality, county, or public improvement district, according to the benefit received by the property.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:

(1) public water and wastewater facilities;
(2) drainage and storm-water facilities; and
(3) streets and alleys.

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

(1) are a first and prior lien against the property assessed; and
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

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

(e) The district may not impose an impact fee on the property, including equipment and facilities, of a public utility provider in the district.

(f) Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.153. MAINTENANCE AND OPERATION TAX; ELECTION. (a) The district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all necessary land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the tax is approved by the governing body of the city and a majority of the voters voting at an election held for that purpose. If the tax is approved, the board may impose the tax in the same manner as other district ad valorem taxes.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

(d) The proposition in a maintenance and operation tax election may be for a specific maximum rate.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.154. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. (a) The district may issue by competitive bid or negotiated sale bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.
(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable, wholly or partly, by a pledge of any part of the net proceeds the district receives from any other district revenue.

(d) District bonds payable by ad valorem taxes may not be issued unless the bonds and the taxes are approved by:
   (1) the governing body of the city; and
   (2) a majority of the district voters voting in an election called for that purpose.

(e) The city is not obligated to pay, repay, or guarantee any bonds, notes, or other obligations of the district unless the city dissolves the district under Subchapter E.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.155. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

Sec. 3851.156. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:
   (1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and
   (2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
       (A) pay the interest on the bonds or other obligations as the interest becomes due;
       (B) create a sinking fund for the payment of the
principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

(b) Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by a majority of the voters in the district voting at an election held for that purpose.

(c) The district shall hold an election required by this section in the manner provided by Subchapter L, Chapter 375, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. DISSOLUTION

Sec. 3851.201. DISSOLUTION. (a) The city by ordinance adopted by a two-thirds majority vote of its governing body may dissolve the district.

(b) The city may not dissolve the district until the district's outstanding indebtedness or contractual obligations payable from ad valorem taxes have been repaid or discharged.

(c) After the city dissolves the district, the city assumes the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.

(d) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

Added by Acts 2007, 80th Leg., R.S., Ch. 794 (H.B. 4085), Sec. 1, eff. June 15, 2007.

CHAPTER 3852. PFLUGERVILLE MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3852.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Pflugerville Municipal Management District No. 1.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.
Sec. 3852.002. PFLUGERVILLE MUNICIPAL MANAGEMENT DISTRICT NO. 1. The Pflugerville Municipal Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Travis County, the City of Pflugerville, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Travis County or the City of Pflugerville from providing the level of services provided as of September 1, 2005, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III,
and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:
   (1) further the public purposes of developing and diversifying the economy of the state;
   (2) eliminate unemployment and underemployment; and
   (3) develop or expand transportation and commerce.

(d) The district will:
   (1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district and of the public;
   (2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and
   (3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

(e) Hike and bike trails, pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement in accordance with Section 52, Article III, Texas Constitution.

(f) The district may not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:
   (1) Section 3852.110;
   (2) Subchapter J, Chapter 49, Water Code; or
   (3) other law.
(b) The boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Pflugerville under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the City of Pflugerville under Chapter 312, Tax Code; or
(3) an enterprise zone created by the City of Pflugerville under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.
Sec. 3852.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years.

Sec. 3852.052. COMPENSATION. A director is entitled to compensation as provided by Section 49.060, Water Code.

Sec. 3852.053. ADDITIONAL QUALIFICATIONS. (a) A person is eligible for appointment to the board if:
(1) the person:
  (A) owns land in the City of Pflugerville subject to taxation; or
  (B) is registered to vote in the City of Pflugerville;
and
(2) the appointment of the person under this section does not result in more than two directors who were eligible solely under this section and not Section 375.063, Local Government Code.

(b) Section 375.063, Local Government Code, does not apply to a director appointed under Subsection (a).

Sec. 3852.054. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Pflugerville shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members and the mayor vote to appoint the person.
(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors residing in the City of Pflugerville.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.055. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the parks and recreation, planning and development, and public works departments of the City of Pflugerville;

(2) the chief of police of the City of Pflugerville;

(3) the executive director of any development corporation in the City of Pflugerville;

(4) the president of each institution of higher learning located in the district; and

(5) the fire chief of any emergency services district in the City of Pflugerville.

(b) If a city department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a city department described by Subsection (a) is abolished, the board may appoint a representative of another department of the City of Pflugerville that performs duties comparable to those performed by the abolished department.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.056. CONFLICTS OF INTEREST. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit
from a board action shall file an affidavit with the board secretary
declaring the interest. Another affidavit is not required if the
director's interest changes.

(c) After the affidavit is filed, the director may participate
in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in
the same entity; or

(2) all other similar business or charitable entities in
the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a
political subdivision may not participate in a discussion of or vote
on a matter regarding a contract with that same political
subdivision.

(e) For purposes of this section, a director has a substantial
interest in a charitable entity in the same manner that a person
would have a substantial interest in a business entity under Section

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June
17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3852.101. ADDITIONAL DISTRICT POWERS. The district may
exercise the powers given to a corporation created under Chapter 504
or 505, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June
17, 2005.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.67, eff. April 1, 2009.

Sec. 3852.102. EXERCISE OF POWERS OUTSIDE DISTRICT. The
district may exercise its powers in an area outside the district if
the board determines that exercising those powers benefits the
district.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June
17, 2005.
Sec. 3852.103. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation.

(d) The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.104. RECLAMATION PROJECT. The district may own, operate, or maintain a reclamation project.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.105. AGREEMENTS; GRANTS; DONATIONS. (a) The district may enter into an agreement with or accept a donation, grant, or loan from any person.

(b) A municipality, county, or other political subdivision of this state, or a nonprofit corporation, without further authorization, may contract with the district for:

(1) the acquisition, construction, improvement, implementation, maintenance, and operation of a district project; or

(2) the provision of a service authorized under this chapter.

(c) A contract under Subsection (b) may:
(1) be for a period and include terms on which the parties agree;
(2) be payable from taxes or any other source of revenue that may be available for that purpose; and
(3) provide terms under which taxes or other revenues collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(d) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

(e) To the extent of any conflict between this section and any other law, including a charter of a home-rule municipality, this section controls.

(f) The district, the City of Pflugerville, Travis County, or another political subdivision may use another law to the extent convenient or necessary to carry out any power or authority, express or implied, granted by this section.

(g) This section is wholly sufficient authority for the execution of a contract, the imposition and pledging of taxes and revenues to the contract, and the performance of other acts and procedures authorized by this section, or by the district, the City of Pflugerville, Travis County, and any other political subdivision without reference to any other provision of law or any restriction or limitation contained in those provisions, except as specifically provided by this section.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.106. ECONOMIC DEVELOPMENT PROGRAMS AND OTHER POWERS RELATED TO PLANNING AND DEVELOPMENT. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June
Sec. 3852.107. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Travis County or the City of Pflugerville for the county or city to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.108. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.109. APPROVAL BY CITY OF PFLUGERVILLE. (a) Except as provided by Subsection (b), the district must obtain approval from the City of Pflugerville's governing body:

(1) for the issuance of a bond other than a refunding bond;
(2) of the plans and specifications of a project to be financed by the bond; and
(3) of the plans and specifications of any district project related to the use of land owned by the City of Pflugerville, an easement granted by the City of Pflugerville, or a right-of-way of a street, road, or highway.

(b) If the district obtains approval from the City of Pflugerville's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the projects and issue bonds specified in the budget without further approval from the City of Pflugerville.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.110. ANNEXATION. In addition to the authority to
annex territory under Subchapter J, Chapter 49, Water Code, the
district may annex territory located in a reinvestment zone created
by the City of Pflugerville under Chapter 311, Tax Code, if the
city's governing body consents to the annexation.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June
17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3852.151. PETITION REQUIRED FOR FINANCING SERVICES AND
IMPROVEMENTS. (a) The board may not finance a service or an
improvement project with assessments under this chapter unless a
written petition requesting that service or improvement is filed with
the board.

(b) The petition must be signed by the owners of a majority of
the assessed value of real property in the area of the district that
will be subject to the assessment according to the most recent
certified tax appraisal roll for Travis County.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June
17, 2005.

Sec. 3852.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board
by resolution shall establish the number of directors' signatures and
the procedure required for a disbursement or transfer of the
district's money.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June
17, 2005.

Sec. 3852.153. MAINTENANCE TAX. (a) The district may impose
an annual ad valorem tax on taxable property in the district to
maintain and operate the district and the improvements and projects
constructed or acquired by the district or to provide a service only
if:

(1) two-thirds of the directors vote in favor of imposing
the tax; and

(2) the tax is authorized at an election held in accordance
with Section 3852.156.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter only if two-thirds of the directors vote in favor of imposing the assessment.

(b) The board may adjust an annual assessment for a service in accordance with an annual budget adopted by the board to provide those services. The annual adjustment may not be more than the original assessment unless the board provides notice and hearing.

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property of a person who provides to the public gas, electric, telephone, sewage, or water service.
Sec. 3852.156. ELECTIONS REGARDING TAXES OR TAX BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax;
(2) issue a bond payable from ad valorem taxes; or
(3) secure an agreement wholly or partly from a pledge of ad valorem taxes.

(b) The board may submit multiple purposes in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Sec. 3852.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, contracts, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) The district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) The district may issue a bond to refinance a public security issued by the City of Pflugerville or to finance a district project located outside the boundaries of the district if the board finds that the refinancing or project wholly or partly furthers the purposes of and benefits the district.

(d) Sections 375.208 and 375.243, Local Government Code, do not apply to bonds or other obligations issued under this section solely to pay for a project constructed by the City of Pflugerville and payable wholly or partly from payments made by the City of
Pflugerville under an agreement authorized under Section 3852.105.

(e) The district may issue bonds in accordance with terms and provisions as determined by the board, including the sale of bonds in a manner and with terms as determined by the board. As provided by Section 3852.007, Sections 375.202, 375.203, 375.205, and 375.206, Local Government Code, apply to bonds issued under this section.

(f) A bond issued under this section may be refunded or otherwise refinanced by the issuance of refunding bonds under terms or conditions determined by board order or resolution. A refunding bond may be issued in an amount necessary to pay the principal and any interest and redemption premium of bonds to be refunded, at maturity or on any redemption date, and issued to provide for the payment of costs incurred in connection with the refunding. A refunding bond may be issued in any manner provided by law.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.158. ECONOMIC DEVELOPMENT BONDS. The district may issue bonds for economic development projects in accordance with Section 52-a, Article III, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.159. MUNICIPALITY NOT OBLIGATED TO PAY DISTRICT OBLIGATIONS. Except as provided by Sections 3852.105 and 3852.157 of this code and Section 375.263, Local Government Code, a municipality is not obligated to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3852.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not
apply to the district.

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

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

CHAPTER 3853. DICKINSON MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3853.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Dickinson Management District No. 1.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.002. DICKINSON MANAGEMENT DISTRICT NO. 1. The Dickinson Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Dickinson, Galveston County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

1. further the public purposes of developing and diversifying the economy of the state;
2. eliminate unemployment and underemployment; and
3. develop or expand transportation and commerce.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary
components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code;
(2) Section 3853.108; or
(3) other law.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by a municipality under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by a municipality under Chapter 312, Tax Code; or
(3) an enterprise zone created by a municipality under Chapter 2303, Government Code.
Sec. 3853.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.008. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3853.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The governing body of the City of Dickinson may change the number of voting directors on the board. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Dickinson shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

(b) Section 375.063, Local Government Code, does not apply to the district.
Sec. 3853.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3853.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter; and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.68, eff. April 1, 2009.
Sec. 3853.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a member of the board of the nonprofit corporation is not required to reside in the district.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified party, including Galveston County or the City of Dickinson, to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.105. APPROVAL BY CITY OF DICKINSON. (a) Except as provided by Subsection (c), the district must obtain the approval of
the City of Dickinson's governing body for:
   (1) the issuance of a bond for each improvement project;
   (2) the imposition of a sales and use tax;
   (3) the plans and specifications of the improvement project
       financed by the bond; and
   (4) the plans and specifications of any district
       improvement project related to the use of land owned by the City of
       Dickinson, an easement granted by the City of Dickinson, or a right-
       of-way of a street, road, or highway.
   (b) The approval obtained for the issuance of bonds or the
       imposition of a sales and use tax must be a resolution by the City of
       Dickinson. The approval obtained for plans and specifications must
       be a permit issued by the City of Dickinson.
   (c) If the district obtains the approval of the City of
       Dickinson's governing body of a capital improvements budget for a
       period not to exceed five years, the district may finance the capital
       improvements and issue bonds specified in the budget without further
       approval from the City of Dickinson.
   (d) The City of Dickinson and the district may agree on
       conditions for obtaining the approval of the city under this section,
       including an agreement for the approval of a sales and use tax that
       requires the district to abolish or decrease the rate of the tax if
       the rate, when combined with other local sales and use taxes, results
       in a combined tax rate of more than two percent in any location in
       the district.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June
17, 2005.

Sec. 3853.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
district may join and pay dues to an organization that:
   (1) enjoys tax-exempt status under Section 501(c)(3), (4),
       or (6), Internal Revenue Code of 1986; and
   (2) performs a service or provides an activity consistent
       with the furtherance of a district purpose.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June
17, 2005.
Sec. 3853.107. ECONOMIC DEVELOPMENT PROGRAMS AND OTHER POWERS RELATED TO PLANNING AND DEVELOPMENT. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money, including bond proceeds; and

(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.108. ANNEXATION. In addition to the authority to annex territory under Subchapter J, Chapter 49, Water Code, the district may by board resolution annex territory located in the City of Dickinson if the city's governing body votes in favor of the annexation.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.109. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3853.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.
Sec. 3853.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Galveston County; or

(2) at least 25 persons who own real property in the district, if more than 25 persons own real property in the district according to the most recent certified tax appraisal roll for Galveston County.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified United States mail or an equivalent service that can provide a record of mailing or other delivery.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

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

 Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

 Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.
Sec. 3853.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations, by competitive bid or negotiated sale, payable wholly or partly from sales and use taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) The district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.158. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the City of Dickinson is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.159. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.160. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.
SUBCHAPTER E. SALES AND USE TAX

Sec. 3853.201. MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.202. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.

(b) The provisions of Subchapters B, C, and D, Chapter 321, Tax Code, relating to municipal sales and use taxes apply to the application, collection, change, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 321, Tax Code, to a municipality referred to the district and references to a governing body referred to the board.

(c) Sections 321.401-321.406 and Subchapter F, Chapter 321, Tax Code, do not apply to a tax imposed under this subchapter.

(d) Section 321.203(l), Tax Code, as added by Chapter 1155, Acts of the 78th Legislature, Regular Session, 2003, does not apply to a tax imposed in the district boundaries.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.203. AUTHORIZATION. The district may adopt a sales and use tax for the benefit of the district. The board is not required to hold an election to adopt the tax.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.
Sec. 3853.204. ABOLISHING SALES AND USE TAX.  (a) Except as provided in Subsection (b), the board, with the consent of the governing body of the City of Dickinson, may abolish the sales and use tax without an election.

(b) The board may not abolish the sales and use tax if the district has outstanding debt secured by the tax.

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

Sec. 3853.205. SALES AND USE TAX RATE.  (a) On adoption of the tax authorized by this subchapter, there is imposed a tax at the rate authorized by the district on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer within the district during the period that the tax is in effect.

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

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.

SUBCHAPTER F. DISSOLUTION

Sec. 3853.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.  (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

Added by Acts 2005, 79th Leg., Ch. 458 (S.B. 1866), Sec. 1, eff. June 17, 2005.
Sec. 3854.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a board member.
(3) "District" means the Chambers County Improvement District No. 1.
(4) "Extraterritorial jurisdiction" has the meaning assigned by Section 42.021, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.002. NATURE OF DISTRICT. A special district known as the "Chambers County Improvement District No. 1" is a political subdivision of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and to accomplish the other purposes of this chapter. The legislature intends that by creating the district the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to:

(1) diversify the economy of the state;
(2) promote, develop, expand, encourage, and maintain employment, commerce, economic development, and the public welfare;
(3) promote the control, treatment, storage, and distribution of water;
(4) protect, preserve, and restore the sanitary conditions of water;
(5) promote the transportation of agricultural, industrial, and commercial products;
(6) promote the health, safety, and general welfare of:
   (A) property owners, residents, employers, and employees in the district; and
The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district will provide needed funding in the greater Cedar Crossing area to preserve, maintain, and enhance the economic health and vitality of the area as a community and a business and industrial center.

(d) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.
(b) A municipality described by Subsection (a)(3) has the same power to extend or provide municipal services after the creation of the district as the municipality had before the district's creation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.006. TORT CLAIMS. (a) The district is a governmental unit for the purposes of Chapter 101, Civil Practice and Remedies Code.

(b) The operations of the district are essential governmental functions for all purposes and not proprietary functions.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformance with the legislative findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

**SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATION**

Sec. 3854.051. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 566, Acts of the 73rd Legislature, Regular Session, 1993, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

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

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond or to issue or enter into another type of obligation for a purpose for which the district is created;
(3) the district's right to levy or collect an assessment
or tax; or

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.052. ANNEXATION OR EXCLUSION OF TERRITORY BY DISTRICT; MUNICIPAL CONSENT. (a) The district may annex land to and exclude land from the district as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may not annex land in a municipality's extraterritorial jurisdiction unless the municipality consents to the annexation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.053. ANNEXATION OF DISTRICT TERRITORY BY MUNICIPALITY. (a) Notwithstanding Chapter 43, Local Government Code, a municipality in whose extraterritorial jurisdiction the district is located may annex all or part of the district. Annexation does not result in a total or partial dissolution of the district or an assumption by the annexing municipality of any of the district's obligations or indebtedness.

(b) A municipal annexation of all or part of the district has no effect on the validity of the district, and the district shall continue to exist and exercise the powers granted by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 3854.101. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02,
Sec. 3854.102. APPLICABLE LAW. The board is governed by Subchapter D, Chapter 375, Local Government Code, to the extent that the subchapter does not conflict with this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.103. DIRECTOR DISTRICTS. (a) Each position on the board represents a separate area of the district known as a director district.

(b) All land in the district must be in a director district.

(c) Director districts may not overlap.

(d) The board may establish new boundaries for a director district if it is necessary to provide a reasonable balance in the board representation between acreage, value, improvements, and interests of the property owners in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.104. APPOINTMENT OF DIRECTORS. The Commissioners Court of Chambers County shall appoint a director to represent a director district in the manner provided by Section 375.064, Local Government Code, from a list of candidates recommended by the board in the manner provided by that section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.105. QUALIFICATIONS. (a) Each director shall qualify for office as required by Subchapter D, Chapter 375, Local Government Code.

(b) Each director shall meet the qualifications provided by Section 375.063, Local Government Code, for the area in the director district that the director represents.
(c) A person may not be appointed as a director or continue to serve as a director unless the person satisfies the requirements provided by Section 375.063, Local Government Code, for the area in the director district that the person is appointed to represent.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.106. VOTING; ACTIONS. (a) Directors may vote on any matter authorized by Subchapter D, Chapter 375, Local Government Code.

(b) The board may take action only if the action is approved in the manner prescribed by Subchapter D, Chapter 375, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.107. VACANCY. The remaining directors shall fill a vacancy in the office of director for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 3854.151. GENERAL POWERS. The district has:

(1) all the rights, powers, and privileges conferred by the general law of this state applicable to districts created under:

(A) Chapter 375, Local Government Code;

(B) Chapter 172, Transportation Code, or Chapter 623, Acts of the 67th Legislature, Regular Session, 1981 (former Article 6550c, Vernon's Texas Civil Statutes);

(C) Chapter 441, Transportation Code; and

(D) Chapter 54, Water Code;

(2) the rights, powers, and privileges granted to districts by:

(A) Subchapters E and M, Chapter 60, Water Code; and
(B) Section 61.116, Water Code; and

(3) all the powers granted to municipal management districts under Sections 375.092 and 375.111, Local Government Code, to provide any services or for any project the district is authorized to acquire, construct, or improve under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.018, eff. September 1, 2011.

Sec. 3854.152. ELECTIONS. The district shall hold elections as provided by Subchapter L, Chapter 375, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.153. AUTHORITY TO Acquire INTEREST IN LAND. The district may acquire any interest in land in accordance with Chapter 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.154. EXPENSES AND LIABILITY FOR CERTAIN ACTIONS AFFECTING PROPERTY. If the district, in exercising a power conferred by this chapter, requires a relocation, adjustment, raising, lowering, rerouting, or changing the grade of or altering the construction of any street, alley, highway, overpass, underpass, road, railroad track, bridge, facility, or property, electric line, conduit, facility, or property, telephone or telegraph line, conduit, facility, or property, gas transmission or distribution pipe, pipeline, main, facility, or property, water, sanitary sewer or storm sewer pipe, pipeline, main, facility, or property, cable television line, cable, conduit, facility, or property, or other pipeline or facility or property relating to the pipeline, that relocation, adjustment, raising, lowering, rerouting, changing of grade, or
altering of construction must be accomplished at the sole cost and expense of the district, and damages that are suffered by owners of the property or facilities shall be borne by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.155. SECURITY SERVICES. To protect the public interest, the district may contract with a private entity or a municipality, county, or other political subdivision for services for the security and protection of residents and property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.156. COMPETITIVE BIDDING. The district shall contract for services, improvements, or the purchase of materials, machinery, equipment, supplies, or other property of more than $25,000 as provided by Section 375.221, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.157. DISTRICT NAME CHANGE. The board by resolution may change the name of the district. The name must describe the district's location and principal powers.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.158. OWNING OR OPERATING AIRPORT PROHIBITED. The district may not own or operate an airport.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.
Sec. 3854.201. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of director signatures or the procedure required for all disbursements or transfers of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.202. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval for the district to impose a maintenance tax or issue bonds payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.203. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3854.202, the district may impose an annual ad valorem tax on taxable property in the district for:

(1) the maintenance, operation, and upkeep of the district and the improvements constructed or acquired by the district; and

(2) the provision of services to industrial and commercial businesses and residents and property owners.

(b) The board shall determine the tax rate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.204. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board may levy and collect an assessment under Subchapter F, Chapter 375, Local Government Code, for any authorized purpose only if the assessment does not conflict with this chapter.

(b) An assessment or reassessment by the district, penalties
and interest on an assessment or reassessment, an expense of
collection, and reasonable attorney's fees incurred by the district:

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.205. FINANCING IMPROVEMENT PROJECTS OR SERVICES. (a) The district may finance the cost of any authorized improvement project or service in the manner provided by any law that applies to the district.

(b) A petition under Section 375.114, Local Government Code, is not required for the board to levy a tax, assessment, or impact fee to finance improvement projects and services under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.206. IMPACT FEES. Except as provided by Section 3854.207, the district may impose an impact fee for an authorized purpose as provided by Subchapter G, Chapter 375, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

Sec. 3854.207. CERTAIN RESIDENTIAL PROPERTY EXEMPT. The
district may not impose an impact fee or assessment on a single-
family residential property or a residential duplex, triplex,
fourplex, or condominium.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02,
eff. April 1, 2011.

Sec. 3854.208. BONDS AND OTHER OBLIGATIONS. (a) The district
may issue bonds or other obligations secured by and payable wholly or
partly from ad valorem taxes, assessments, impact fees, revenue,
grants, or other money of the district, or any combination of those
sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district
may issue a bond or other obligation in the form of a bond, note,
certificate of participation or other instrument evidencing a
proportionate interest in payments to be made by the district, or
other type of obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02,
eff. April 1, 2011.

Sec. 3854.209. APPROVAL OF BONDS. (a) No approval is required
for bonds issued by the district other than:

(1) the approval of the attorney general as provided by
Section 375.205, Local Government Code; and

(2) the approval of the Texas Commission on Environmental
Quality if the bonds are issued for a purpose that Section 375.208,
Local Government Code, requires to be approved by the commission.

(b) Except as provided by Subsection (c), the district may not
issue bonds payable from an ad valorem tax imposed over the entire
district in an amount more than the greater of:

(1) $50 million; or

(2) 10 percent of the assessed value of the taxable
property in the entire district as shown on the most recent certified
tax rolls of the county central appraisal district.

(c) If the Texas Commission on Environmental Quality approves
the feasibility of district bonds described by Subsection (b), the
limit on the amount of bonds to be issued is the amount set by the
commission.
(d) Subsection (b) does not limit the district's authority to issue bonds that are not payable from ad valorem taxes imposed over the entire district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

**SUBCHAPTER F. DISSOLUTION**

Sec. 3854.251. DISSOLUTION OF DISTRICT. The district may be dissolved as provided by Section 375.261 or 375.262, Local Government Code. If the district is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.02, eff. April 1, 2011.

**CHAPTER 3855. LEAGUE CITY IMPROVEMENT DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3855.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the city of League City.
(3) "Director" means a board member.
(4) "District" means the League City Improvement District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.002. NATURE OF DISTRICT. The League City Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of
Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, Galveston County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:
   (1) further the public purposes of developing and diversifying the economy of the state;
   (2) eliminate unemployment and underemployment; and
   (3) develop or expand transportation and commerce.

(d) The district will:
   (1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
   (2) provide needed funding for the district to preserve,
maintain, and enhance the economic health and vitality of the
district territory as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and
developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, parking, and street art objects are parts of and
necessary components of a street and are considered to be a street or
road improvement.

(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many
private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1,

Sec. 3855.005. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act creating this chapter.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest
on the bond;
(3) right to impose or collect an assessment or sales and
use tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1,

Sec. 3855.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a)
All or any part of the area of the district is eligible to be
included in:
(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) another district with the same or similar powers, duties, and authority.

(b) The district may enter into agreements with other districts described by Subsection (a)(4) to coordinate services and improvements and to allocate assessments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3855.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven voting directors who serve staggered terms of four years, with three or four directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution or the governing body of the city by resolution or ordinance may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of
fewer than five or more than 15 voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 304, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 3855.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the city shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor in case of a tie, vote to appoint that person.

(b) Section 375.063(3), Local Government Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.054. NONVOTING DIRECTORS. The governing body of the city or the board may appoint nonvoting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.
Sec. 3855.101. ADDITIONAL POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, and a municipal development district under Chapter 377, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by those chapters.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

(c) The board may enter into a contract with the board of directors of a tax increment reinvestment zone created under Chapter 311, Tax Code, and the governing body of the municipality or county that created the zone to manage the zone or implement the project
Sec. 3855.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified party, including Galveston County or the city, for the provision of law enforcement services in the district for a fee.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.105. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

(1) the issuance of bonds;
(2) calling an election to authorize a sales and use tax; and
(3) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted to the city, or a right-of-way of a street, road, or highway.

(b) The governing body of the city must provide the approval required by Subsection (a)(1) or (2) by adoption of a resolution or ordinance. The approval required by Subsection (a)(3) may be provided by an administrative process that does not involve the city's governing body.

(c) If the district obtains the approval of the city's governing body of a capital improvements budget for a period not to exceed 10 years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit
organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.109. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) In addition to the authority to annex provided by Subsection (a), the district by board resolution may annex territory if:

(1) the city's governing body by ordinance or resolution consents to the annexation;
(2) the board holds a hearing to consider the annexation; and
(3) the board determines that the annexation is feasible, practicable, and to the district's advantage.

(c) The district may not annex under Subsection (b) single-
family residential property described by Section 375.161, Local Government Code.

(d) For an annexation authorized by Subsection (b) or Section 49.302, Water Code, an election is not required.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3855.151. PUBLIC TRANSIT SYSTEM. The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district may be leased to, or operated for the district by, an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution.

(d) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.
Sec. 3855.153. RULES. The district may adopt rules covering its public transit system or its public parking system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, sales and use taxes, or grant or contract proceeds, to pay the cost of acquiring or operating a public transit system or public parking facilities.

(b) The district may:
(1) set, charge, impose, and collect fees, charges, or tolls for the use of the public transit system or the public parking facilities; and
(2) issue bonds or notes to finance the cost of these facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 3855.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1,
Sec. 3855.203. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property subject to assessment in the area to be assessed according to the most recent certified tax appraisal roll for Galveston County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.204. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.207. NO AD VALOREM TAXES. The district may not impose ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.208. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS. (a) The district may borrow money on terms and conditions as
determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution.

(b) The district may issue by competitive bid or negotiated sale bonds, notes, or other obligations payable wholly or partly from sales and use taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.209. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.


Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.211. ASSESSMENT ABATEMENTS. The district may grant in the manner that Chapter 312, Tax Code, authorizes for taxes an abatement for an assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.
Sec. 3855.212. ASSESSMENTS IN OTHER DISTRICTS. The board must obtain approval of the governing body of another district created under Section 59, Article XVI, Texas Constitution, before imposing an assessment on property in the boundaries of that district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.213. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. SALES AND USE TAX

Sec. 3855.251. MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.252. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.

(b) Chapter 321, Tax Code, relating to municipal sales and use taxes, applies to the application, collection, change, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 321, Tax Code, to a municipality referred to the district and references to a governing body referred to the board.
Sec. 3855.253. AUTHORIZATION; ELECTION. (a) The district may adopt a sales and use tax to serve the purposes of the district after an election in which a majority of the voters of the city voting in the election authorize the adoption of the tax.

(b) Notwithstanding any other law, the board by order may call an election to authorize a sales and use tax. The election may be held with any other district or city election.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Subchapter L, Chapter 375, Local Government Code, except that all qualified voters of the city may vote in the election to authorize a sales and use tax.

(d) Section 375.243, Local Government Code, does not apply to the district.

(e) The ballots shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the League City Improvement District at a rate not to exceed ____ percent."

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.254. ABOLISHING SALES AND USE TAX. (a) Except as provided by Subsection (b), the board may abolish the sales and use tax without an election.

(b) The board may not abolish the sales and use tax if the district has outstanding debt secured by the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

Sec. 3855.255. SALES AND USE TAX RATE. (a) On adoption of the
tax authorized by this subchapter, there is imposed a tax on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer within the district during the period that the tax is in effect.

(b) The board shall determine the rate of the tax, which may be in one-eighth of one percent increments not to exceed the maximum rate authorized by the district voters at the election. The board may lower the tax rate to the extent it does not impair any outstanding debt or obligations payable from the tax.

(c) The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item.

Added by Acts 2009, 81st Leg., R.S., Ch. 1092 (H.B. 4798), Sec. 1, eff. June 19, 2009.

CHAPTER 3856. GALVESTON GRAND BEACH MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3856.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "District" means the Galveston Grand Beach Management District.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.002. GALVESTON GRAND BEACH MANAGEMENT DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.
Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Galveston, Galveston County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Sec. 3856.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve,
maintain, and enhance the economic health and vitality of the
district territory as a residential community and business center; and

(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and
developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, parking, and street art objects are parts of and
necessary components of a street and are considered to be a street or
road improvement.

(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many
private interests as well as the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1,

Sec. 3856.005. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 2 of the Act enacting
this chapter, as that territory may have been modified under:

(1) Section 3856.108;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which
the district is created or to pay the principal of and interest on
the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1,
Sec. 3856.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

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

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3856.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of nine voting directors appointed under Section 3856.052 and nonvoting directors as provided by Section 3856.053.

(b) Voting directors serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may increase or decrease the number of directors on the board if the board finds that it is in the best interest of the district. The board may not consist of fewer than seven or more than 13 directors.
Sec. 3856.052. APPOINTMENT OF DIRECTORS. The board shall nominate a slate of persons to serve on the succeeding board as voting directors. The members of the governing body of the City of Galveston shall appoint as voting directors the slate of persons nominated by the board.

Sec. 3856.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:
(1) the directors of the following departments of the City of Galveston or a person designated by that director:
   (A) parks and recreation;
   (B) planning and zoning; and
   (C) public works; and
(2) the city manager of the City of Galveston or a person designated by the city manager.
(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished entity.
(c) Nonvoting directors are not counted for the purposes of establishing a quorum of the board.

Sec. 3856.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:
(1) a director may participate in all board votes and decisions; and
(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that same public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3856.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation created under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that chapter;

(2) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district;

(3) a road utility district under Chapter 441, Transportation Code;

(4) a navigation district under Subchapters E and M, Chapter 60, Water Code; and
Sec. 3856.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Galveston County or the City of Galveston to provide law enforcement services
in the district for a fee.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. (a) The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and
(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

(b) An expenditure of public money for membership in the organization is considered to further a district purpose and to be for a public purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.
Sec. 3856.108. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district may annex territory in a reinvestment zone created by the City of Galveston under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.109. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3856.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes an ad valorem tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.
Sec. 3856.153. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3856.152, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(b) The board may not impose an assessment on a parcel of real property with a taxable value of less than $50,000 at the time of the assessment, according to the most recent certified tax appraisal roll for Galveston County, unless the owner of that parcel agrees in writing to pay the assessment.

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

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Galveston County; or

(2) at least 25 persons who own real property in the district, if more than 25 persons own real property in the district according to the most recent certified tax appraisal roll for Galveston County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES OR ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code; or

(3) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.157. BONDS AND OTHER OBLIGATIONS. (a) The district
may issue bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

Sec. 3856.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3856.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1128 (H.B. 4053), Sec. 1, eff. June 15, 2007.

**CHAPTER 3857. CHAMBERS–LIBERTY COUNTIES IMPROVEMENT DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3857.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
"District" means the Chambers-Liberty Counties Improvement District.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.002. CHAMBERS-LIBERTY COUNTIES IMPROVEMENT DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Chambers and Liberty Counties and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.  

(b) The creation of the district is necessary to promote, develop, encourage, and maintain automobile transportation, housing, recreation, the arts, safety, and the public welfare in the district territory.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district will:
   (1) promote the health, safety, and general welfare of residents in the district, and of the public;
   (2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a commercially viable area; and
   (3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(d) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(e) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.005. DISTRICT TERRITORY. The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:
   (1) Subchapter J, Chapter 49, Water Code; or
   (2) other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.
Sec. 3857.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3857.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.052. APPOINTMENT OF DIRECTORS. From persons recommended by the board, the county judge:

(1) of Liberty County shall appoint directors for positions 1, 2, and 3; and

(2) of Chambers County shall appoint directors for positions 4 and 5.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.053. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and
(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that same public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.054. COMPENSATION. (a) Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

(b) Section 49.060, Water Code, applies to the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3857.101. MUNICIPAL UTILITY DISTRICT. The district has the powers given to a municipal utility district created under Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.
Sec. 3857.102. ROAD POWERS. (a) The district has the powers given to a road district created under Section 52, Article III, Texas Constitution, including:

(1) a road district under Chapter 257, Transportation Code; and

(2) a road utility district under Chapter 441, Transportation Code.

(b) The district has the power under Subsection (a) to finance arterials, including a farm-to-market road, state highway, and county road.

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

(d) The district may not undertake a road project outside the district unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not undertake a road project outside the district unless each county in which the district is located consents by resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.103. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.104. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.105. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Chambers or Liberty County for the county to provide law enforcement services in the district for a fee.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3857.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the
district's money.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.152. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that improvement or service has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment as determined by the most recent certified tax appraisal roll for Chambers or Liberty County; or

(2) at least 50 persons who own real property in the district, if more than 50 persons own real property in the district as determined by the most recent certified tax appraisal roll for Chambers or Liberty County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.153. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3857.160, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter in all or any part of the district.
(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

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

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

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

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES OR ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

   (1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

   (2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

   (3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

   (4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.
Sec. 3857.156. BONDS AND OTHER OBLIGATIONS. (a) The district may issue by competitive bid or negotiated sale bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.157. APPROVAL REQUIRED FOR WATER-RELATED BONDS. The district may not issue bonds to finance water, sewage, or drainage facilities without the approval of the Texas Commission on Environmental Quality.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.158. COUNTIES NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a county is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

Sec. 3857.159. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1,
Sec. 3857.160. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or
(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. DISSOLUTION

Sec. 3857.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 1286 (H.B. 4093), Sec. 1, eff. June 15, 2007.

CHAPTER 3858. DRIFTWOOD ECONOMIC DEVELOPMENT MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3858.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "City council" means the governing body of the City of Dripping Springs.
(3) "Commissioners court" means the Hays County Commissioners Court.
(4) "Director" means a member of the board.
(5) "District" means the Driftwood Economic Development Municipal Management District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing commerce in the state.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, consumers, and visitors in the district;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and viability of the district as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing trails, landscaping, and other services that are necessary for the restoration, preservation, and enhancement of the scenic beauty and environment of the area.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act creating this chapter, as the territory may have been modified under:

(1) Section 375.043 or 375.044, Local Government Code; or
(2) other law.

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

(1) the district's organization, existence, or validity;
(2) the district's right to contract, including the right to issue an obligation for a purpose for which the district is
the district's right to impose or collect an assessment, tax, or other revenue; or
the legality or operation of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3858.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.052. APPOINTMENT OF DIRECTORS. The board consists of the following directors:

(1) Position 1: a person appointed by the commissioners court;
(2) Position 2: a person appointed by the commissioners court;
(3) Position 3: a person appointed by the city council;
(4) Position 4: a person appointed by the city council;
and
(5) Position 5: a person appointed by the commissioners court, who must be the individual, the designee of the individual, or the designee of the entity that owns more property in the district than any other individual or entity, except that if the commissioners court is unable to identify a qualified person who is willing and
able to serve, the commissioners court shall appoint to the place a person who is:

   (A) at least 18 years old; and
   (B) a resident of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.
Amended by:
   Acts 2015, 84th Leg., R.S., Ch. 974 (H.B. 2259), Sec. 1, eff. September 1, 2015.

Sec. 3858.053. VACANCY. A vacancy in the office of director shall be filled for the unexpired term by appointment in the same manner as the office was previously filled under Section 3858.052.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.054. PETITION; ELECTION. (a) The owner or owners of at least 40 percent of the assessed value of property in the district may submit a petition to the commissioners court requesting an election of the board.

   (b) If the commissioners court receives a petition under Subsection (a), the commissioners court shall order an election of board members in the district.

   (c) The board shall give notice of the election not later than the 30th day before the date of the election.

   (d) Of the directors elected to the board in an election under this section, the terms of the directors appointed for positions 1 through 3 expire on the third June 1 after the election, and the terms of directors appointed for positions 4 and 5 expire on June 1 following the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.055. DIRECTOR'S BOND AND OATH. (a) Section 375.067, Local Government Code, does not apply to a director.
(b) Each director shall file the director's constitutional oath of office with the district, and the district shall retain the oath in the district's records.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.057. QUALIFICATIONS OF DIRECTORS; PARTICIPATION IN VOTING. (a) Sections 375.063 and 375.072, Local Government Code, do not apply to a director.

(b) An official or employee of a public entity may serve on the board. The common law doctrine of incompatibility does not disqualify an official or employee of a public entity from serving as a director.

(c) A person appointed to serve on the board under this chapter is qualified to serve as a director and participate in all votes pertaining to the business of the district regardless of any other statutory provision to the contrary.

(d) A director may participate in discussion and vote on an action even if the director is an official or employee of a public entity and the action relates to assessments on or contracts with the public entity.

Added by Acts 2015, 84th Leg., R.S., Ch. 974 (H.B. 2259), Sec. 2, eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3858.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects or services or activities in support of or incidental to
those projects or services:

   (1) the planning, design, construction, improvement, operation, and maintenance of:
   (A) irrigation facilities and landscaping;
   (B) highway right-of-way or transit corridor beautification and improvement;
   (C) lighting, banners, and signs;
   (D) a street or sidewalk;
   (E) a hiking or cycling path or trail;
   (F) a park, lake, garden, recreational facility, sports facility, open space, scenic area, animal habitat, or related exhibit or preserve;
   (G) a fountain, plaza, or pedestrian mall;
   (H) a drainage or storm-water detention improvement;
   (I) a wastewater treatment and disposal facility;
   (J) water, wastewater, or drainage facilities or services;
   (K) a water quality protection facility;
   (L) a facility to enhance groundwater recharge, including a rainwater collection and harvesting system;
   (M) an alternative energy facility; or
   (N) solid waste management services, including garbage collection, recycling, and composting;

   (2) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
   (A) a conference, convention, or exhibition;
   (B) a manufacturer, consumer, or trade show;
   (C) a civic, community, or institutional event; or
   (D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday; or

   (3) a special or supplemental service for the improvement and promotion of the district or for the protection of public health and safety in the district, including:
   (A) advertising;
   (B) promotion;
   (C) tourism;
   (D) health and sanitation;
   (E) public safety;
   (F) security;
(G) fire protection or emergency medical services;
(H) business recruitment;
(I) development;
(J) elimination of traffic congestion;
(K) recreational, educational, or cultural
improvements, enhancements, and services;
(L) water, wastewater, or drainage facilities or
services; or
(M) any similar public improvement, facility, or
service.

(b) The district may not undertake a project under this section unless the board determines the project to be necessary to accomplish the public purpose of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 974 (H.B. 2259), Sec. 3, eff. September 1, 2015.

Sec. 3858.1025. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that Chapter 380, Local Government Code, provides to a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 974 (H.B. 2259), Sec. 4, eff. September 1, 2015.

Sec. 3858.103. CONTRACTS; GIFTS; DONATIONS. The district may:

(1) contract with any person to accomplish any district purpose, including a contract for:
(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed costs;

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; or

(C) the provision of law enforcement services to the district for a fee;

(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project; and

(3) accept a grant or donation from any person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.104. RULES; ENFORCEMENT. (a) The district may adopt and enforce rules:

(1) to administer or operate the district or any service provided by the district;

(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or

(3) to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 974 (H.B. 2259), Sec. 5, eff. September 1, 2015.
Sec. 3858.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to the formation of a district contract.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3858.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.1521. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money for any purpose authorized by this chapter.

(b) Notwithstanding Subsection (a), ad valorem taxes may be pledged only to pay bonds, notes, or other obligations that are issued by the district for purposes authorized under Sections 52 and 52-a, Article III, or Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 974 (H.B. 2259), Sec. 6, eff. September 1, 2015.

Sec. 3858.1522. ELECTIONS REGARDING BONDS. (a) The district may issue, without an election, bonds and other obligations secured
by revenue from any source other than ad valorem taxes.

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

Added by Acts 2015, 84th Leg., R.S., Ch. 974 (H.B. 2259), Sec. 6, eff. September 1, 2015.

Sec. 3858.153. AD VALOREM TAX; ELECTION. (a) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes an ad valorem tax.

(b) If authorized at an election under Subsection (a) and subject to Subsection (c), the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(c) Repealed by Acts 2015, 84th Leg., R.S., Ch. 974 , Sec. 8(a), eff. January 1, 2016.

(d) The board shall determine the tax rate. The tax rate may not exceed 15 cents per $100 valuation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 974 (H.B. 2259), Sec. 8(a), eff. January 1, 2016.

Sec. 3858.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

(1) are a first and prior lien against the property assessed;
are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.155. SALES AND USE TAX; ELECTION. (a) Except as otherwise provided by this section, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to a tax imposed under this section and to the administration and enforcement of that tax in the same manner that those laws apply to a state tax.

(b) Except as otherwise provided by this chapter, Chapter 321, Tax Code, applies to the imposition, computation, administration, and governance of a sales and use tax imposed under this section.

(c) The board may impose a tax on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption in the district of taxable items purchased, leased, or rented from a retailer in the district if authorized by a majority of the voters of the district voting at an election called for that purpose and held in the manner provided by Subchapter L, Chapter 375, Local Government Code.

(d) The tax may be imposed in one-eighth of one percent increments not to exceed the rate authorized by the district voters.

(e) A tax under this section is applied to the sales price of a taxable item.

(f) The board may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use
taxes imposed by the board and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(g) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.156. HOTEL OCCUPANCY TAX. The district may impose a hotel occupancy tax in the manner that Chapter 351, Tax Code, provides for a municipality. A tax imposed under this section may not exceed seven percent of the price paid for lodging in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.

Sec. 3858.157. ACCOUNTING. (a) On the conclusion of each fiscal year, the board shall obtain from an independent entity a review of the district's financial activities for the preceding fiscal year.

(b) Not later than September 1, the board annually shall submit to the commissioners court a written report containing:

(1) the findings of a review under Subsection (a);
(2) if not included in the review, accounting records of the preceding fiscal year; and
(3) a summary of the activities of the district during the preceding fiscal year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1203 (H.B. 4825), Sec. 1, eff. June 19, 2009.
CHAPTER 3859. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3859.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Harris County Improvement District No. 9.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9. A special district known as the "Harris County Improvement District No. 9" is a governmental agency and political subdivision of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of September 1, 2007, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or
city services provided in the area in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) Each improvement project or service authorized by this chapter is essential to carry out a public purpose.

(d) The creation of the district is in the public interest and is essential to:

1. further the public purposes of developing and diversifying the economy of the state;
2. eliminate unemployment and underemployment;
3. develop or expand transportation and commerce.

(e) The district will:

1. promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center;
3. promote the health, safety, welfare, and enjoyment of the public by providing public art and pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty;
4. promote and benefit commercial development and commercial areas in the district; and
5. promote and develop public transportation and pedestrian facilities and systems using new and alternative means that are attractive, safe, and convenient, including securing expanded and improved transportation and pedestrian facilities and systems, to:
(A) address the problem of traffic congestion in the
district, the need to control traffic and improve pedestrian safety,
and the limited availability of money; and

(B) benefit the land and other property in the district
and the residents, employers, employees, visitors, and consumers in
the district and the public.

(f) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, and street art objects are parts of and necessary
components of a street and are considered to be a street or road
improvement.

(g) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many
private interests as well as the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1,

Sec. 3859.005. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 2 of the Act enacting
this chapter, as that territory may have been modified under:

(1) Section 3859.106;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

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

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond,
including a refunding bond, for a purpose for which the district is
created or to pay the principal of and interest on the bond;
(3) the district's right to impose and collect an
assessment or tax; or
(4) the legality or operation of the district or the board.

(c) A description of the district's boundaries shall be filed
with the Texas Commission on Environmental Quality. The commission
by order may correct a mistake in the description of the district's
boundaries.
Sec. 3859.006. TORT LIABILITY. The district is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are essential government functions and are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.007. ELIGIBILITY FOR REINVESTMENT ZONES. All or any part of the area of the district is eligible to be included in a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3859.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 11 directors who serve staggered terms of four years with five or six directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if a majority of the board finds that it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 15; or
(2) decrease the number of directors to fewer than five.

(c) Sections 49.053, 49.054, 49.056, 49.057, 49.058, and 49.060, Water Code, apply to the board.

(d) Subchapter D, Chapter 375, Local Government Code, applies to the board to the extent that subchapter does not conflict with this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.052. APPOINTMENT OF DIRECTORS ON INCREASE IN BOARD SIZE. If the board increases the number of directors under Section 3859.051, the board shall appoint qualified persons to fill the new director positions and shall provide for staggering the terms of the directors serving in the new positions. On expiration of the term of a director appointed under this section, a succeeding director shall be appointed and qualified as provided by Subchapter D, Chapter 375, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3859.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code;

(3) the powers, duties, and contracting authority specified by Subchapters H and I, Chapter 49, Water Code;

(4) the powers given to a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that chapter; and

(5) the powers of a housing finance corporation created under Chapter 394, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1,
Sec. 3859.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
   (1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
   (2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.103. ELECTIONS. (a) District elections must be held in the manner provided by Subchapter L, Chapter 375, Local Government Code.

(b) The board may submit multiple purposes in a single proposition at an election.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.104. CONTRACT FOR LAW ENFORCEMENT AND SECURITY SERVICES. The district may contract with:
   (1) Harris County or the City of Houston for the county or city to provide law enforcement and security services for a fee; and
(2) a private entity for the private entity to provide supplemental security services.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.105. ECONOMIC DEVELOPMENT PROGRAMS AND OTHER POWERS RELATED TO PLANNING AND DEVELOPMENT. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money, including bond proceeds; and

(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

(c) The district is eligible to receive a grant from a municipality under Chapter 380, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.106. ANNEXATION OR EXCLUSION OF TERRITORY. The district may annex or exclude land from the district in the manner provided by Subchapter C, Chapter 375, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES**

Sec. 3859.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED. (a)
The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

(b) Before the district may act under Subsection (a), a petition must be filed with the district requesting the action with regard to a public transit system. The petition must be signed by owners of property representing a majority of either the total assessed value or the area of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located. The determination of a majority is based on the property owners along the entire right-of-way of the proposed transit project and may not be calculated on a block-by-block basis.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for the parking of motor vehicles; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in the parking of vehicles.

(b) A parking facility of the district must be either leased to or operated on behalf of the district by a private entity or an entity other than the district. The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution, and accomplish a public purpose under that section even if leased or operated by a private entity for a term of years.

(c) The district's public parking facilities and any lease to a private entity are exempt from the payment of ad valorem taxes and state and local sales and use taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.
Sec. 3859.153. RULES. The district may adopt rules covering its public transit system or its public parking facilities except that a rule relating to or affecting the use of the public right-of-way or a requirement for off-street parking is subject to all applicable municipal charter, code, or ordinance requirements.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring and operating a public transit system or public parking facilities.

(b) The district may set and impose fees, charges, or tolls for the use of the public transit system or the public parking facilities and may issue bonds or notes to finance the cost of these facilities.

(c) Except as provided by Section 3859.151, if the district pays for or finances the cost of acquiring or operating a public transit system or public parking facilities with resources other than assessments, a petition of property owners or a public hearing is not required.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.155. PAYMENT IN LIEU OF TAXES TO OTHER TAXING UNIT. If the district’s acquisition of property for a parking facility that is leased to or operated by a private entity results in the removal from a taxing unit's tax rolls of real property otherwise subject to ad valorem taxation, the district shall pay to the taxing unit in which the property is located, on or before January 1 of each year, as a payment in lieu of taxes, an amount equal to the ad valorem taxes that otherwise would have been imposed for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the property.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.
SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 3859.201. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM TAXES, AND IMPACT FEES. The district may impose, assess, charge, or collect an assessment, an ad valorem tax, an impact fee, or another fee in accordance with Chapter 49, Water Code, for a purpose specified by Chapter 375, Local Government Code, or as needed to exercise a power or function or to accomplish a purpose or duty for which the district was created.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.202. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3859.103, the district may impose an annual ad valorem tax on taxable property in the district to maintain, restore, replace, or operate the district and improvements that the district constructs or acquires or the district's facilities, works, or services.

(b) The board shall determine the tax rate.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.203. ASSESSMENT IN PART OF DISTRICT. An assessment may be imposed on only a part of the district if only that part will benefit from the service or improvement.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.204. PETITION REQUIRED FOR ASSESSMENT AND FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not impose an assessment or finance a service or improvement project under this chapter unless a written petition requesting the improvement or service has been filed with the board.

(b) The petition must be signed by:
(1) the owners of a majority of the assessed value of real property in the district or in the area of the district that will be subject to the assessment as determined by the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 persons who own real property in the district or the area of the district that will be subject to the assessment, if more than 25 persons own real property in the district or area that will be subject to the assessment as determined by the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.205. ASSESSMENTS CONSIDERED TAXES. For purposes of a title insurance policy issued under Title 11, Insurance Code, an assessment is a tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.206. LIENS FOR ASSESSMENTS; SUITS TO RECOVER ASSESSMENTS. (a) An assessment imposed on property under this chapter is a personal obligation of the person who owns the property on January 1 of the year for which the assessment is imposed. If the person transfers title to the property, the person is not relieved of the obligation.

(b) On January 1 of the year for which an assessment is imposed on a property, a lien attaches to the property to secure the payment of the assessment and any interest accrued on the assessment. The lien has the same priority as a lien for district taxes.

(c) Not later than the fourth anniversary of the date on which a delinquent assessment became due, the district may file suit to foreclose the lien or to enforce the obligation for the assessment, or both, and for any interest accrued.

(d) In addition to recovering the amount of the assessment and any accrued interest, the district may recover reasonable costs, including attorney's fees, that the district incurs in foreclosing the lien or enforcing the obligation. The costs may not exceed an amount equal to 20 percent of the assessment and interest.
(e) If the district does not file a suit in connection with a delinquent assessment on or before the last date on which the district may file suit under Subsection (c), the assessment and any interest accrued is considered paid.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.207. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENT AND IMPACT FEES. The district may not impose an impact fee or assessment on the property, including equipment or facilities, of:

(1) an electric utility as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.208. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:

(1) burying or removing electrical power lines, telephone lines, cable or fiber optic lines, or any other type of electrical or optical line;
(2) removing poles and any elevated lines using the poles; and
(3) reconnecting the lines described by Subdivision (2) to the buildings or other improvements to which the lines were connected.

(b) The district may acquire, operate, or charge fees for the use of the district conduits for:

(1) another person's:
(A) telecommunications network;
(B) fiber-optic cable; or
(C) electronic transmission line; or
(2) any other type of transmission line or supporting facility.

(c) The district may not require a person to use a district conduit.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

Sec. 3859.209. DEBT. The district may issue bonds, notes, or other debt obligations in accordance with Subchapters I and J, Chapter 375, Local Government Code, for a purpose specified by that chapter or as required to exercise a power or function or to accomplish a purpose or duty for which the district was created.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

SUBCHAPTER F. DISSOLUTION

Sec. 3859.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, except that Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1288 (H.B. 4110), Sec. 1, eff. June 15, 2007.

CHAPTER 3860. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 10

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3860.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Harris County Improvement District No. 10.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.
Sec. 3860.002. NATURE OF DISTRICT. The district is a special
district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff.

Sec. 3860.003. PURPOSE; DECLARATION OF INTENT. (a) The
creation of the district is essential to accomplish the purposes of
Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas
Constitution, and other public purposes stated in this chapter. By
creating the district and in authorizing Harris County, the City of
Houston, the Metropolitan Transit Authority of Harris County, and
other political subdivisions to contract with the district, the
legislature has established a program to accomplish the public
purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be
interpreted to relieve Harris County or the City of Houston from
providing the level of services provided as of September 1, 2007, to
the area in the district. The district is created to supplement and
not to supplant the county or city services provided in the area in
the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff.

Sec. 3860.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.

(b) All land and other property included in the district will
benefit from the improvements and services to be provided by the
district under powers conferred by Sections 52 and 52-a, Article III,
and Section 59, Article XVI, Texas Constitution, and other powers
granted under this chapter.

(c) Each improvement project or service authorized by this
chapter is essential to carry out a public purpose.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the area as a residential neighborhood and a commercially viable area;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty;
(4) promote and benefit commercial development and commercial areas in the district; and
(5) promote and develop public transportation and pedestrian facilities and systems using new and alternative means that are attractive, safe, and convenient, including securing expanded and improved transportation and pedestrian facilities and systems, to:

(A) address the problem of traffic congestion in the district, the need to control traffic and improve pedestrian safety, and the limited availability of money; and
(B) benefit the land and other property in the district and the residents, employers, employees, visitors, and consumers in the district and the public.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.
Sec. 3860.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

1. Subchapter J, Chapter 49, Water Code;
2. Section 3860.111; or
3. other law.

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

1. the district's organization, existence, and validity;
2. the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. the district's right to impose and collect an assessment or tax; or
4. the legality or operation of the district or the board.

(c) A description of the district's boundaries shall be filed with the Texas Commission on Environmental Quality. The commission by order may correct a mistake in the description of the district's boundaries.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.
Sec. 3860.051. COMPOSITION; TERMS. (a) The district is governed by a board of 14 voting directors who serve staggered terms of four years, with seven directors' terms expiring June 1 of each odd-numbered year.

(b) The board by order or resolution may increase or decrease the number of voting directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 15; or

(2) decrease the number of directors to fewer than five.

Sec. 3860.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Sec. 3860.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the following departments of the City of Houston or a person designated by that director:

   (A) parks and recreation;
   (B) planning and development; and
   (C) public works; and

(2) the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished,
the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.054. QUORUM. (a) A majority of the board is a quorum.

(b) Nonvoting directors and vacant director positions are not counted for the purposes of establishing a board quorum.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.055. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section
Sec. 3860.056. COMPENSATION OF VOTING DIRECTORS. Voting directors may receive fees of office and reimbursement of expenses as provided by Section 49.060, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3860.101. GENERAL DISTRICT POWERS. The district has all powers necessary to accomplish the purposes for which the district was created.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.102. DEVELOPMENT CORPORATION AND HOUSING CORPORATION POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that chapter; and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.047, eff. September 1, 2009.

Sec. 3860.103. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to
assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
   (1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
   (2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.104. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.
(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.105. CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with:
(1) Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee; and
(2) a private entity for the private entity to provide supplemental security services.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.106. APPROVAL BY CITY OF HOUSTON. (a) Except as
provided by Subsection (b), the district must obtain the approval of the City of Houston's governing body for:

(1) the issuance of a bond for each improvement project;
(2) the plans and specifications of the improvement project financed by the bond; and
(3) the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) is an organization exempt from taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3), (4), or (6) of that code; and
(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.108. ROAD POWERS. The district may exercise the powers given to:

(1) a road district created under Chapter 257, Transportation Code; and
(2) a road utility district created under Chapter 441, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.
Sec. 3860.109. AIR RIGHTS; CONSTRUCTION. The district may acquire air rights and may construct improvements on property on which it only owns air rights.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.110. ADDITIONAL PROPERTY RIGHTS; LEASEHOLDS. The district may construct improvements on property on which it only has a leasehold interest and may own undivided interests in buildings and other improvements.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.111. DIVISION OF DISTRICT. (a) The district shall be divided into two districts only if the district is not imposing ad valorem taxes.

(b) Not later than the 60th day after the effective date of the Act creating this chapter, the board shall adopt an order dividing the district into two districts. The original district includes all district territory not included in the new district. The new district includes all the territory included in state representative district 131 on the date the division is effective. Neither district may request consent to its creation from the City of Houston until the order dividing the district is adopted.

(c) After the division of the district:

(1) the original district is governed by a board of seven voting directors consisting of the directors appointed to positions 8 through 14; and

(2) the new district is governed by a board of seven voting directors consisting of the directors appointed to positions one through seven of the original district.

(d) An order dividing the district must:

(1) name the new district;

(2) describe the boundaries of the new district;

(3) name the initial directors of the new district; and

(4) divide the assets and liabilities in any manner between the new district and the original district.
(e) Not later than the 10th day after the date the board adopts the order, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of Harris County.

(f) The new district has all the powers and duties of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3860.151. PUBLIC TRANSIT SYSTEM. The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for the parking of motor vehicles; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in the parking of vehicles.

(b) A parking facility of the district must be either leased to or operated on behalf of the district by a private entity or an entity other than the district. The district's parking facilities are a program authorized by the legislature under Section 52-a,
Article III, Texas Constitution, and accomplish a public purpose under that section even if leased or operated by a private entity for a term of years.

(c) The district's public parking facilities and any lease to a private entity are exempt from the payment of ad valorem taxes and state and local sales and use taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.153. RULES. The district may adopt rules covering its public transit system or its public parking facilities except that a rule relating to or affecting the use of the public right-of-way or a requirement for off-street parking is subject to all applicable municipal charter, code, or ordinance requirements.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring and operating a public transit system or public parking facilities.

(b) The district may set and impose fees, charges, or tolls for the use of the public transit system or the public parking facilities and may issue bonds or notes to finance the cost of these facilities.

(c) If the district pays for or finances the cost of acquiring or operating a public transit system or public parking facilities with resources other than assessments, a petition of property owners or a public hearing is not required.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.155. AGREEMENT WITH RAPID TRANSIT AUTHORITY. (a) In this section, "authority" means a rapid transit authority created under Chapter 451, Transportation Code.
(b) The district and an authority may agree to jointly construct, own, operate, and maintain a transit facility or a parking facility under the terms the authority and district desire.

(c) The agreement may provide that the district and the authority exchange or trade land provided that each party to the agreement receives fair market value. The authority is not required to offer any property that it proposes to trade to the district for sale to the public or for sale to any abutting property owner.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E.  FINANCIAL PROVISIONS

Sec. 3860.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.202. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition requesting a project financed by assessment must be signed by:
   (1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or
   (2) at least 25 owners of real property in the district that will be subject to the assessment, if more than 25 persons own real property subject to the assessment in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.
Sec. 3860.203. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3860.208, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) administer the district;
(2) maintain and operate the district;
(3) construct or acquire improvements; or
(4) provide a service.

(b) The board shall determine the tax rate.

(c) An owner of real property in the district, except property exempt under the Texas or United States Constitution or under the Tax Code, is liable for the payment of ad valorem taxes imposed by the district on the property.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.204. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.205. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.206. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized district purpose.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.207. LIMIT ON PARKS AND RECREATION BONDS. Bonds issued to finance parks and recreational facilities may not exceed
one percent of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.208. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.209. POWERS OF MUNICIPAL UTILITY DISTRICT TO ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. (a) The district has the powers of a municipal utility district under Subchapter J, Chapter 54, Water Code, including the power to:

(1) implement a plan adopted under that subchapter;
(2) issue bonds; and
(3) impose a tax in a defined area established under that subchapter.

(b) The district may exercise the powers described by Subsection (a) regardless of whether the district is composed of the minimum number of acres provided by Section 54.801, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.210. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other

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obligation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.211. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

SUBCHAPTER F. DISSOLUTION

Sec. 3860.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.
(a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.
(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

CHAPTER 3861. VIRIDIAN MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3861.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Arlington.
(3) "District" means the Viridian Municipal Management District.
(4) "Improvement project" means any program or project authorized by Section 3861.102, inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.
Sec. 3861.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:
(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) providing quality residential housing; and
(4) developing or expanding transportation and commerce.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:
(1) Section 3861.107; or
(2) other law.

(b) A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect:
(1) the district's organization, existence, or validity;
(2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which
the district is created;
(3) the district's right to impose or collect an assessment, tax, or any other revenue; or
(4) the legality or operation of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:
(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code; or
(3) an enterprise zone created by the city under Chapter 2303, Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3861.051. GOVERNING BODY; TERMS. (a) Except as provided by Section 3861.0521, the district is governed by a board of five directors as follows:
(1) three directors appointed by the mayor and the governing body of the city as provided by Section 3861.052(a); and
(2) two directors elected from the district at large as provided by Section 3861.052(b).

(b) Directors serve staggered terms of four years.
Sec. 3861.052. APPOINTMENT OR ELECTION OF DIRECTORS. (a) The mayor and members of the governing body of the city shall appoint three of the directors from persons recommended by the board. A person is appointed if a majority of members and the mayor vote to appoint that person.

(b) The board shall hold an election to elect one director on the uniform election date in May in each even-numbered year.

Sec. 3861.0521. REQUIREMENT TO ELECT ALL DIRECTORS. (a) Not later than January 1 of each year, the board shall conduct a review to determine what percentage of the developable acreage in the district has been developed. The board by rule shall establish criteria for determining whether certain acreage is developable.

(b) If the board determines on conclusion of a review conducted under Subsection (a) that at least 90 percent of the developable acreage in the district has been developed, Section 3861.052 does not apply to the district and all five directors shall be selected by elections held on the uniform election date in May in even-numbered years.

(c) If the board makes the determination described by Subsection (b), a director appointed to the board before the board makes that determination is entitled to serve the remainder of the director's unexpired term.

(d) A vacancy on the board that occurs on or after the date the board makes the determination described by Subsection (b) shall be filled in the manner prescribed by Section 3861.054(b).
Sec. 3861.053. ELIGIBILITY.  (a) To be qualified to serve as a director, a person must own land in the district.
(b) Section 49.052, Water Code, does not apply to the district.

Sec. 3861.054. VACANCY.  (a) If a vacancy occurs in the office of an appointed director, the mayor and members of the governing body of the city shall fill the vacancy for the remainder of the director's unexpired term in the same manner as the original appointment.
(b) If a vacancy occurs in the office of an elected director, the remaining directors shall fill the vacancy by appointing a person who meets the qualifications prescribed by Section 3861.053. If there are fewer than three directors, the mayor and members of the governing body of the city shall appoint the necessary number of directors who meet the qualifications prescribed by Section 3861.053 to fill all board vacancies, regardless of whether the vacating directors were appointed or elected.

Sec. 3861.055. DIRECTOR'S OATH OR AFFIRMATION. A director's oath or affirmation of office shall be filed with the district and the district shall retain the oath or affirmation in the district records.
Sec. 3861.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.057. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation per director per year may not exceed $2,000.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3861.101. GENERAL POWERS AND DUTIES. The district has the powers and duties provided by:

(1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code, except that the district's bonds and other securities are not subject to the jurisdiction or supervision of the Texas Commission on Environmental Quality under Chapter 49, Water Code, or other law;

(2) the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code;

(3) Subchapter A, Chapter 372, Local Government Code, in the same manner as a municipality or a county; and

(4) Chapters 375 and 505, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.048, eff. September 1, 2009.
Sec. 3861.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects or activities in support of or incidental to those projects:

(1) a supply and distribution facility or system to provide potable and city-approved nonpotable water to the residents and businesses of the district, including a wastewater collection facility;

(2) a paved road or street, or turnpike, inside and outside the district to the extent authorized by Section 52, Article III, Texas Constitution;

(3) the planning, design, construction, improvement, and maintenance of:
   (A) landscaping;
   (B) highway right-of-way or transit corridor beautification and improvement;
   (C) lighting, banners, and signs;
   (D) a street or sidewalk;
   (E) a hiking and cycling path or trail;
   (F) a pedestrian walkway, skywalk, crosswalk, or tunnel;
   (G) a park, lake, garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve;
   (H) a fountain, plaza, or pedestrian mall; or
   (I) a drainage or storm-water detention improvement;

(4) protection and improvement of the quality of storm water that flows through the district;

(5) the planning, design, construction, improvement, maintenance, and operation of:
   (A) a water or sewer facility; or
   (B) an off-street parking facility or heliport;

(6) the planning and acquisition of:
   (A) public art and sculpture and related exhibits and facilities; or
   (B) an educational and cultural exhibit or facility;

(7) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
   (A) a conference, convention, or exhibition;
   (B) a manufacturer, consumer, or trade show;

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(C) a civic, community, or institutional event; or
(D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;
(8) the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project;
(9) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project;
(10) the acquisition of property or an interest in property in connection with an authorized improvement project;
(11) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:
   (A) advertising;
   (B) promotion;
   (C) tourism;
   (D) health and sanitation;
   (E) public safety;
   (F) security;
   (G) fire protection or emergency medical services;
   (H) business recruitment;
   (I) development;
   (J) elimination of traffic congestion; and
   (K) recreational, educational, or cultural improvements, enhancements, and services; or
(12) any similar public improvement, facility, or service.
(b) The district may not undertake a project under this section unless the board determines the project to be necessary to accomplish a public purpose of the district.
(c) An improvement project must comply with any applicable city requirements, including codes and ordinances.
(d) The district may not provide, conduct, or authorize any improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.
(e) Subject to any agreement between the district and the city, the city may:
   (1) by ordinance, order, or resolution require that title to all or any portion of an improvement project vest in the city; or
   (2) by ordinance, order, or resolution or other directive
authorize the district to own, encumber, maintain, and operate an improvement project, subject to the right of the city to order a conveyance of the project to the city on a date determined by the city.

(f) The district shall immediately comply with any city ordinance, order, or resolution adopted under Subsection (e).

(g) For the purposes of this section, planning, design, construction, improvement, and maintenance of a lake includes work done for drainage, reclamation, or recreation.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.103. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) contract with any person to accomplish any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including a negotiable or nonnegotiable note or warrant payable to the city, Tarrant County, and any other person.

(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.
A contract payable from ad valorem taxes for a period longer than one year must be approved by the governing body of the city.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.104. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district;
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or
(3) to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

(c) To the extent a district rule conflicts with a city rule, order, or regulation, the city rule, order, or regulation controls.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.105. NAME CHANGE. The board by resolution may change the district’s name. The board shall give written notice of the change to the city.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.106. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OF THE DISTRICT. (a) The board by rule may regulate the private use of a public roadway, open space, park, sidewalk, or similar public area in the district. To the extent the district rules conflict with a rule, order, or regulation of the city, the rule, order, or regulation of the city controls. A rule may provide for the safe and orderly use of public roadways, open spaces, parks, sidewalks, and similar public areas or facilities.

(b) The board may require a permit for a parade, demonstration,
celebration, entertainment event, or similar nongovernmental activity in or on a public roadway, open space, park, sidewalk, or similar public area or facility. The board may charge a fee for the permit application or for public safety or security services in an amount the board considers necessary.

(c) The board may require a permit or franchise agreement with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of the area or facility on terms and on payment of a permit or franchise fee the board may impose.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.107. ADDING OR REMOVING TERRITORY. The board may add or remove territory under Subchapter J, Chapter 49, and Section 54.016, Water Code, except that:

(1) the addition or removal of the territory must be approved by:

(A) the governing body of the city; and

(B) the owners of the territory being added or removed;

(2) a reference to a tax in Subchapter J, Chapter 49, or Section 54.016, Water Code, means an ad valorem tax; and

(3) territory may not be removed from the district if bonds or other obligations of the district payable, wholly or partly, from ad valorem taxes on the territory are outstanding.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.108. ECONOMIC DEVELOPMENT. The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and

(2) Chapter 1509, Government Code, provides to any municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff.
Sec. 3861.109. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3861.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. Except as provided by Section 3861.161, the district may:

(1) impose an ad valorem tax on all taxable property in the district, including industrial, commercial, and residential property, to pay for an improvement project;

(2) impose an assessment on property in the district in the manner provided for:

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

(B) a municipality or county under Subchapter A, Chapter 372, Local Government Code;

(3) provide or secure the payment or repayment of the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by or through:

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

(B) the imposition of a tax, assessment, user fee, concession fee, or rental charge; or

(C) any other revenue or resources of the district;
(4) establish user charges related to the operation of storm-water facilities, including the regulation of storm water for the protection of water quality in the district;

(5) establish user charges for the use of nonpotable water for irrigation purposes, subject to the approval of the governing body of the city;

(6) undertake separately or jointly with other persons, including the city or Tarrant County, all or part of the cost of an improvement project, including an improvement project:
   (A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or
   (B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(7) enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.152. BORROWING MONEY. The district may borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for the district purpose. The bond, note, credit agreement, or other obligation must be secured by and payable from ad valorem taxes, assessments, or any other district revenue.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a) The district may impose an impact fee or assessment on property in the district, including an impact fee or assessment on residential or commercial property, only in the manner provided by Subchapter A, Chapter 372 or Subchapter F, Chapter 375, Local Government Code, for a municipality, county, or public improvement district, according to the benefit received by the property.
(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:

(1) public water and wastewater facilities;
(2) drainage and storm-water facilities; and
(3) streets and alleys.

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

(1) are a first and prior lien against the property assessed; and
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

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

(e) The district may not impose an impact fee on the property, including equipment and facilities, of a public utility provider in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.154. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.155. MAINTENANCE AND OPERATION TAX; ELECTION. (a) Except as provided by Section 3861.161, the district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of
the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the maximum tax rate is approved by the governing body of the city and a majority of the district voters voting at an election held for that purpose. If the maximum tax rate is approved, the board may impose the tax at any rate that does not exceed the approved rate.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

(d) The proposition in a maintenance and operation tax election may be for a specific maximum rate or for an unlimited rate.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.156. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.157. BOND ISSUANCE PLAN REQUIRED BEFORE ISSUING BONDS. The district may not issue bonds until the governing body of the city approves a bond issuance plan authorizing and setting forth the limitations on the issuance of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.158. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. (a) Except as provided by Sections 3861.157 and 3861.161, the district may issue by competitive bid or negotiated sale bonds, notes, or other obligations payable wholly or partly from ad valorem
taxes or assessments in the manner provided by Subchapter A, Chapter 372 or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable, wholly or partly, by a pledge of any part of the net proceeds the district receives from any other district revenue.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.159. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.160. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

(b) Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by:
(1) a majority of the district voters voting at an election held for that purpose; and
(2) the governing body of the city.
(c) The district shall hold an election required by this section in the manner provided by Chapter 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.161. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district may issue bonds, impose taxes, or borrow money, the district and the city must negotiate and execute a mutually approved and accepted interlocal project development agreement regarding the development plans and rules for:
(1) the development and operation of the district; and
(2) the financing of improvement projects.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

SUBCHAPTER E. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3861.201. DIVISION OF DISTRICT; REQUIREMENTS. (a) At any time before the district issues indebtedness secured by ad valorem taxes, the district may be divided into two or more new districts.
(b) A new district created by division of the district must be at least 100 acres.
(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.
(d) The board may consider a proposal to divide the district on:
(1) a petition of a landowner in the district; or
(2) a motion by the board.
(e) The board may not divide the district unless the division is approved by the governing body of the city by resolution. The resolution may set terms for the division under Subsection (f).
(f) If the board decides to divide the district, the board
shall, subject to the city's resolution:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations; and

(2) prepare a metes and bounds description for each proposed district.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.202. ELECTION FOR DIVISION OF DISTRICT. (a) After the board has complied with Section 3861.201, the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:

(1) the date and location of the election; and

(2) the proposition to be voted on.

(c) If a majority of the votes cast are in favor of the division:

(1) the district is divided; and

(2) not later than the 30th day after the date of the election, the district shall provide written notice of the division to:

(A) the Texas Commission on Environmental Quality; and

(B) the city.

(d) If a majority of the votes cast are not in favor of the division, the district is not divided.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.203. APPOINTMENT OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the mayor and members of the governing body of the city shall:

(1) appoint the board of the original district as the board of one of the new districts; and

(2) appoint five directors for each of the other new
districts in the manner prescribed by Section 3861.052(a).

(b) Directors appointed under Subsection (a)(1) serve the remainder of the terms to which they were appointed or elected in the original district. Notwithstanding Section 3861.053, a director appointed under Subsection (a)(1) is eligible to serve only if the director owns land inside the area described by the boundaries of the original district. Directors appointed under Subsection (a)(2) serve until May 31 of the first even-numbered year after the year in which the directors are appointed.

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, the appointed board shall hold an election to elect two directors and the mayor and members of the governing body of the city shall appoint three directors in the manner prescribed by Section 3861.052(a) in each district for which directors were appointed under Subsection (a)(2).

(d) Section 3861.0521 applies to a new district in the same manner as that section applies to the original district.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 439 (H.B. 648), Sec. 5, eff. September 1, 2015.

Sec. 3861.204. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) Each new district has the same limitations or other provisions concerning the city that apply to the original district.

(c) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenue or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 3861.201(f).

(d) Any other district obligation is divided pro rata among the new districts on an acreage basis or on other terms that are
satisfactory to the new districts.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.205. CONTRACT AUTHORITY OF NEW DISTRICTS. (a) Except as provided by Subsection (b), the new districts may contract with each other for any matter the boards of the new districts consider appropriate.

(b) The new districts may not contract with each other for water and wastewater services.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

SUBCHAPTER F. DISSOLUTION

Sec. 3861.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district and any additional districts created under Subchapter E.

(b) The city may not dissolve a district until the district's outstanding indebtedness or contractual obligations payable from ad valorem taxes have been repaid or discharged.

(c) The city may not dissolve a district until the agreement under Section 3861.161 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to
enforce and collect the assessments or other revenue to pay:
(1) the bonds or other obligations when due and payable according to their terms; or
(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

Sec. 3861.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue. (b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

Added by Acts 2007, 80th Leg., R.S., Ch. 531 (S.B. 919), Sec. 1, eff. June 16, 2007.

CHAPTER 3862. CENTRAL LAREDO MUNICIPAL MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 3862.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Laredo, Texas.
(3) "Director" means a board member.
(4) "District" means the Central Laredo Municipal Management District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.
Sec. 3862.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) developing or expanding transportation and commerce; and
(4) providing quality residential housing.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping, removing graffiti, and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.005. DISTRICT TERRITORY.  (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;

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

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

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  (a)
All or any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created under Chapter 312, Tax Code;
3. an enterprise zone created under Chapter 2303, Government Code; or
4. an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project. A project may not receive public funds under Section 380.002(b), Local Government Code, unless the project has been approved by the governing body of the city.

(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(b), Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1,
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3862.051. GOVERNING BODY; TERMS. The district is governed by a board of nine directors who serve staggered terms of four years expiring June 1 of each odd-numbered year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY CITY.
(a) To be qualified to serve as a director appointed by the governing body of the city, a person must be:
   (1) a resident of the district who is also a registered voter of the district;
   (2) an owner of property in the district;
   (3) an owner of stock or a partnership or membership interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the district;
   (4) an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the district; or
   (5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4).
(b) Section 49.052, Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors from persons recommended by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.
Sec. 3862.054. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.056. QUORUM. A vacant director position is not counted for purposes of establishing a quorum.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation for each director in one year may not exceed $2,000.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.
Sec. 3862.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;
(2) actions and activities taken by the district; or
(3) the actions of others acting on behalf of the district.

Sec. 3862.060. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Sec. 3862.061. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

For expiration of this section, see Subsection (e).

Sec. 3862.062. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jorge Verduzco</td>
</tr>
<tr>
<td>2</td>
<td>Raul Perales</td>
</tr>
<tr>
<td>3</td>
<td>Rick Norton</td>
</tr>
<tr>
<td>4</td>
<td>Larry Friedman</td>
</tr>
<tr>
<td>5</td>
<td>Roque Haynes</td>
</tr>
</tbody>
</table>

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.
(b) The terms of the initial directors expire June 1, 2015.
(c) Of the directors who replace an initial director, the terms of directors serving in positions 1, 2, 3, 4, and 5 expire June 1, 2017, and the terms of directors serving in positions 6, 7, 8, and 9 expire June 1, 2019.
(d) Section 3862.052 does not apply to this section.
(e) This section expires September 1, 2019.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3862.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

(b) An improvement project described by Subsection (a) may be located:

(1) in the district; or

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1,
Sec. 3862.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1,
Sec. 3862.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including Webb County or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and
(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.
Sec. 3862.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

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

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3862.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.
Sec. 3862.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Webb County; or

(2) at least 25 persons who own real property in the district subject to assessment, if more than 25 persons own real property in the district subject to assessment as determined by the most recent certified tax appraisal roll for Webb County.

Sec. 3862.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Sec. 3862.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.156. LIMITATION ON AMOUNT OF CERTAIN ASSESSMENTS. An assessment based on the taxable value of real property may not exceed 20 cents per $100 of assessed valuation of taxable property in the district, according to the most recent certified tax appraisal roll for Webb County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.157. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3862.201. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other
obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.202. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.
Sec. 3862.204. ELECTIONS REGARDING TAXES. The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

SUBCHAPTER F. DISSOLUTION

Sec. 3862.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

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

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

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.
Sec. 3862.253. CONCURRENCE ON ADDITIONAL POWERS. If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city consents to that change by resolution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

Sec. 3862.254. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1365 (S.B. 1601), Sec. 1, eff. June 14, 2013.

CHAPTER 3863. TRAVIS COUNTY IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3863.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Travis County Improvement District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.002. NATURE OF DISTRICT. The Travis County Improvement District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.
Sec. 3863.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Travis County and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;

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

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

(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.
Sec. 3863.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3863.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.
Sec. 3863.052. APPOINTMENT OF DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.056. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3863.101. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own,
operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.103. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified person, including Travis County, for the provision of law enforcement services in the district for a fee.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.104. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.105. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

1. make loans and grants of public money; and
2. provide district personnel and services.
(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.106. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership with a municipality under Section 43.0751, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.107. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.108. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. PUBLIC PARKING FACILITIES

Sec. 3863.151. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and

(2) equipment, entrances, exits, fencing, and other
accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district may be leased to or operated on behalf of the district by an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution.

(d) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.152. RULES. The district may adopt rules governing the district's public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.153. FINANCING OF PUBLIC PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating public parking facilities.

(b) The district may:
   (1) set, charge, impose, and collect fees, charges, or tolls for the use of the district's public parking facilities; and
   (2) issue bonds or notes to finance the cost of the district's public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.154. ROAD IMPROVEMENTS. (a) Before development begins, the district must obtain a traffic impact analysis performed by a qualified independent traffic consultant for the purpose of determining the impact of increased traffic caused by the development of property in the district on Paleface Ranch Road or other major...
roads connecting the district to State Highway 71. The traffic impact analysis must identify the district's proportionate impact on the roads, based on the daily average number of trips to be generated from the district compared to the total daily average number of trips estimated to be generated from the total service area for the roads at full development.

(b) The district or a developer of land in the district shall pay the district's proportionate share of the costs or design and construct the district's proportionate share necessary to improve roads as needed to maintain the normal level of service on Paleface Ranch Road or any other connector roads. The payments or improvements shall be phased to meet the increased traffic.

(c) This section does not obligate the district to participate in the construction or financing of State Highway 71 or any other state highway.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 3863.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.203. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Travis County.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.204. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of mailing notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.207. RESIDENTIAL PROPERTY. Section 375.161, Local Government Code, does not apply to a tax imposed by the district or to a required payment for a service provided by the district, including water and sewer service.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.208. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3863.212, the district may impose an annual operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:
(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.209. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.210. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS. (a) The district may borrow money on terms and conditions as determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations set forth in Section 49.4645, Water Code, does not apply to the district.
Sec. 3863.211. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 3863.212. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3863.209.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or sales and use tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements which may be acquired by a district by the issuance of its bonds may be included in one single proposition to be voted on at the election or the bonds may be submitted in several propositions.

Sec. 3863.213. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.
Sec. 3863.214. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED PROPERTY

Sec. 3863.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3863.251, the board must call and hold an election as provided by Section 3863.212 only in the defined area or in the boundaries of the designated property.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and by order shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the
ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described in Section 3863.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3863.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

SUBCHAPTER G. SALES AND USE TAX

Sec. 3863.301. MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.302. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.
(a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.

(b) Chapter 321, Tax Code, relating to municipal sales and use taxes, applies to the application, collection, change, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 321, Tax Code, to a municipality referred to the district and references to a governing body referred to the board.


Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.303. AUTHORIZATION; ELECTION. (a) The district may adopt a sales and use tax to serve the purposes of the district after an election in which a majority of the voters of the district voting in the election authorize the adoption of the tax.

(b) The board by order may call an election to authorize a sales and use tax. The election may be held with any other district election.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Section 3863.212.

(d) The ballots shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the Travis County Improvement District No. 1 at a rate not to exceed _____ percent."

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.304. ABOLISHING SALES AND USE TAX. (a) Except as provided by Subsection (b), the board may abolish the sales and use tax without an election.

(b) The board may not abolish the sales and use tax if the

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district has outstanding debt secured by the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

Sec. 3863.305. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax on the receipts from the sale at retail of taxable items in the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer in the district during the period that the tax is in effect. (b) The board shall determine the rate of the tax, which may be in one-eighth of one percent increments not to exceed the maximum rate authorized by the district voters at the election. The board may decrease the tax rate to the extent it does not impair any outstanding debt or obligations payable from the tax. (c) The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

SUBCHAPTER H. HOTEL OCCUPANCY TAXES

Sec. 3863.351. HOTEL OCCUPANCY TAX. (a) In this section, "hotel" has the meaning assigned by Section 156.001, Tax Code. (b) For purposes of this section, a reference in Chapter 351, Tax Code, to a municipality is a reference to the district and a reference in Chapter 351, Tax Code, to the municipality's officers or governing body is a reference to the board. (c) Except as otherwise provided by this section, Subchapter A, Chapter 351, Tax Code, governs a hotel occupancy tax authorized by this section, including the collection of the tax. (d) The district may impose a hotel occupancy tax and may use revenue from the tax for any district purpose that is also an authorized use of a municipality's hotel occupancy tax revenue under Chapter 351, Tax Code. (e) The board by order may impose, repeal, increase, or decrease the rate of a tax on a person who, under a lease,
concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that:

(1) is in a hotel located in the district's boundaries;
(2) costs $2 or more each day; and
(3) is ordinarily used for sleeping.

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

(g) The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 883 (S.B. 2526), Sec. 1, eff. June 19, 2009.

CHAPTER 3864. JEFFERSON COUNTY MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3864.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Port Arthur.
(3) "County" means Jefferson County.
(4) "Director" means a board member.
(5) "District" means the Jefferson County Management District No. 1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.002. NATURE OF DISTRICT. The Jefferson County Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.
Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty;

(4) provide for road, rail, and recreational facilities for the district; and

(5) provide for water facilities, wastewater facilities, drainage facilities, canals, waterways, bulkheads, docks, and other similar improvements or facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

(g) Rail facilities and improvements are:

(1) necessary and convenient for the use and implementation of the district's navigation facilities and improvements;

(2) necessary components of and are considered to be a navigation facility and improvement; and

(3) necessary and convenient for the development and expansion of transportation in this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:
(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 3864.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 voting directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.055. COMPENSATION. A director is entitled to receive
fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3864.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to
assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity
consistent with the furtherance of a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff.
Sec. 3864.110. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.111. NAVIGATION DISTRICT POWERS. (a) The district has the powers provided by the general law of this state applicable to navigation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 60 and 62, Water Code.

(b) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, a canal, waterway, bulkhead, dock, or other improvement or facility necessary or convenient to accomplish the navigation purposes of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.112. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership under Section 43.0751, Local Government Code, with a municipality in whose extraterritorial jurisdiction the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.113. RAIL FACILITIES. The district may construct, acquire, improve, maintain, finance, and operate rail facilities and improvements in aid of those facilities.
Sec. 3864.114. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3864.151. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.153. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.154. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter
unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.155. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.
(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.157. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax approved by the voters of the district or a required payment for a service provided by the district, including water and sewer services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.158. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3864.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3864.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be
voted on at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3864.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:
(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.
(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad
valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.206. TAXES FOR RAIL FACILITIES AND IMPROVEMENTS. Under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, the district may impose taxes in accordance with this subchapter for the construction and maintenance of rail facilities and improvements.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. DEFINED AREAS

Sec. 3864.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.
Sec. 3864.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3864.251, the board shall call and hold an election in the defined area or within the boundaries of the designated property only.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) The board's order is not subject to judicial review except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

Sec. 3864.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3864.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.
Sec. 3864.255. ISSUANCE OF BONDS FOR DEFINED AREAS OR DESIGNATED PROPERTY. After the order under Section 3864.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

SUBCHAPTER G. MUNICIPAL ANNEXATION AND DISSOLUTION

Sec. 3864.301. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The district is a "water or sewer district" under Section 43.071, Local Government Code.

(b) Section 43.075, Local Government Code, applies to the district.

(c) Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 799 (H.B. 2296), Sec. 1, eff. June 17, 2011.

CHAPTER 3865. ALIANA MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3865.001. DEFINITIONS. In this chapter:

1. "Board" means the district's board of directors.
2. "Director" means a board member.
3. "District" means the Aliana Management District.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.002. NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.
Sec. 3865.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

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

(d) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(e) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.
Sec. 3865.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

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

(1) organization, existence, or validity;

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

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.005. COUNTY CONSENT REQUIRED. The district may not take any action until the Commissioners Court of Fort Bend County consents by resolution to the creation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3865.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 3865.053, directors serve staggered four-year terms.

(c) The initial and each succeeding board of directors shall recommend to the Fort Bend County Commissioners Court persons to serve on the succeeding board.

(d) After reviewing the recommendations, the commissioners court shall approve or disapprove the directors recommended by the board.

(e) If the commissioners court is not satisfied with the recommendations submitted by the board, the board, on the request of the commissioners court, shall submit additional recommendations.

(f) Board members may serve successive terms.
(g) If a court finds any provision of Subsections (c)–(f) to be invalid, the Texas Commission on Environmental Quality shall appoint the board from recommendations submitted by the preceding board.  

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.052. QUALIFICATIONS. To be qualified to serve as a director, a person must meet the qualifications of Section 375.063, Local Government Code.  

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.053. INITIAL DIRECTORS. (a) The initial board consists of:  

(1) Jeff Gilman;  
(2) Charles D. Marcucci;  
(3) Charles H. Weiss;  
(4) Hillary Burke; and  
(5) Greg Valikonis.  

(b) The initial directors shall draw lots to determine which two shall serve two-year terms and which three shall serve four-year terms.  

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.054. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $150 for each board meeting. The total amount of compensation for each director in one year may not exceed $7,200.  

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

Added by Acts 2017, 85th Leg., R.S., Ch. 627 (H.B. 4289), Sec. 1, eff. September 1, 2017.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3865.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.102. MUNICIPAL MANAGEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapter 375, Local Government Code, applicable to municipal management districts created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, except the district may not construct, acquire, maintain, or operate a turnpike or toll road.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.103. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a corporation created under Chapter 505, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.104. SPORTS VENUE. The district may construct, acquire, improve, maintain, and operate a sports venue, including an arena, coliseum, stadium, or other type of area or facility used for one or more professional or amateur sports or athletics events.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.105. ECONOMIC DEVELOPMENT. The district may create
economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and
(2) Chapter 1509, Government Code, provides to any municipality, except the district may not create the programs or exercise the powers provided by Subchapter E of that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.106. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3865.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 3865.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may make payments under a contract from taxes other than operation and maintenance taxes after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.154. HOTEL OCCUPANCY TAX. The district may impose a hotel occupancy tax in the manner provided in Section 351.002, Tax Code. A tax imposed under this section may not exceed the maximum rate provided in Section 351.003(a), Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.155. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another
political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 3865.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, hotel occupancy taxes, sales and use taxes, revenue from economic development agreements under Chapter 380 or 381, Local Government Code, other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

Sec. 3865.202. TAXES FOR BONDS. (a) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of an ad valorem tax, without limit as to rate or amount, as required by Section 54.601, Water Code.

(b) The board shall annually impose the tax while all or part of the bonds are outstanding. Sections 54.601 and 54.602, Water Code, govern the amount and rate of the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.
Sec. 3865.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 142 (S.B. 1295), Sec. 1, eff. May 23, 2009.

CHAPTER 3866.  KENNEDALE TOWNCENTER DEVELOPMENT DISTRICT

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 3866.001.  DEFINITIONS.  In this chapter:
(1)  "Board" means the board of directors of the district.
(2)  "District" means Kennedale TownCenter Development District.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.002.  CREATION AND NATURE OF DISTRICT.  (a)  Kennedale TownCenter Development District is created as a special district under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(b)  The board by resolution may change the district's name.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.003.  PURPOSE; LEGISLATIVE FINDINGS.  (a)  The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff.
May 27, 2009.

Sec. 3866.004. BOUNDARIES. The district includes all the territory contained in the following described area:

Block A Lot 1, Lot 2, Lot 3, and Lot 4A of the Kennedale Retail Center Addition; Block A Lot 2 and Lot 3 of the B.T. Webb Subdivision; and Municipal Drive from Third Street to Kennedale Parkway (US Business Highway 287).

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of the development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street
landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3866.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of five voting directors appointed under Section 3866.052 who serve staggered two-year terms.

(b) The governing body of the City of Kennedale may appoint one nonvoting director to serve a term prescribed by the governing body. The nonvoting director must be an employee of the City of Kennedale and shall serve as an ex officio member in an advisory capacity to provide assistance on matters in the district that involve the city.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.052. APPOINTMENT OF DIRECTORS. (a) The governing body of the City of Kennedale shall appoint directors to the board.

(b) Sections 375.063, Local Government Code, and 49.052, Water Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.
Sec. 3866.053. REMOVAL OF DIRECTOR. The members of the board serve at the pleasure of the governing body of the City of Kennedale. The governing body may remove any board member by majority vote.
Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.054. VACANCIES. A vacancy on the board shall be filled by the governing body of the City of Kennedale.
Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.055. CONFLICTS OF INTEREST. Except as provided by Chapter 171, Local Government Code, a director may participate in all board votes and decisions.
Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.056. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.
Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3866.101. POWERS OF DISTRICT. The district has all powers provided by the general laws on road districts and road utility districts created under Section 52, Article III, Texas Constitution, and conservation and reclamation districts and municipal management districts created under Section 59, Article XVI, Texas Constitution, including:
(1) Chapters 257 and 441, Transportation Code;
(2) Chapter 375, Local Government Code; and
(3) Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person. (b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.103. CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a municipality or county to provide law enforcement services in the district for a fee.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3866.151. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value of more than $25,000.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.152. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee and use the proceeds of the tax, assessment, or impact fee for:

(1) any district purpose, including the payment of debt or other contractual obligations; or
(2) the payment of maintenance and operating expenses.
Sec. 3866.153. ELECTIONS REGARDING TAXES OR BONDS. (a) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) If the district obtains the written consent of all property owners in the district to impose a maintenance tax or issue bonds payable from ad valorem taxes or assessments, the district is exempt from the election requirement under Subsection (a) and may cancel an election called under Subsection (a).

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.154. MAINTENANCE TAX. (a) The district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) maintain and operate the district, including improvements constructed or acquired by the district; or
(2) provide a service.

(b) The board shall determine the tax rate.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.155. ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:
(1) are a first and prior lien against the property assessed;

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.156. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition requesting a project financed by assessment must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county in which the property is located.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or
other type of obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

Sec. 3866.158. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. The district must obtain the approval of the governing body of the City of Kennedale for:

(1) the issuance of bonds for an improvement project;
(2) the plans and specifications of an improvement project financed by the bonds; and
(3) the plans and specifications of a district improvement project related to the use of land owned by the City of Kennedale, an easement granted by the City of Kennedale, or a right-of-way of a street, road, or highway.

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.

SUBCHAPTER E. DISSOLUTION

Sec. 3866.201. DISSOLUTION. (a) The district may be dissolved by:

(1) the governing body of the City of Kennedale on a vote of not less than two-thirds of its membership and adoption of an ordinance dissolving the district; or
(2) majority vote of the board of directors.

(b) Section 375.264, Local Government Code, does not apply to the district.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 172 (H.B. 1300), Sec. 1, eff. May 27, 2009.
Sec. 3867.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Pearland.
(3) "County" means Brazoria County.
(4) "Director" means a board member.
(5) "District" means the Pearland Municipal Management District No. 2.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.002. NATURE OF DISTRICT. The Pearland Municipal Management District No. 2 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.
Sec. 3867.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for street or road and recreational facilities and improvements, including related drainage facilities, for the district.

(e) Pedestrian or other nonmotorized vehicle ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.
Sec. 3867.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff.
Sec. 3867.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3867.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven voting directors who serve staggered terms of four years, with three or four directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district and the governing body of the city consents to the change. The board may not consist of fewer than 5 or more than 15 voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.052. APPOINTMENT OF VOTING DIRECTORS. The governing body of the city shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body of the city vote to appoint that person.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.
Sec. 3867.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3867.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease,
improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.106. LAW ENFORCEMENT AND SECURITY SERVICES. To protect the public interest, the district may provide security services or contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a
Sec. 3867.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes
of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.  
(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.  
(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.111. APPROVAL BY CITY. (a) Except as provided by Chapter 375, Local Government Code, the district must obtain the approval of the city for:
    (1) the issuance of bonds;  
    (2) the annexation or exclusion of land; 
    (3) the plans and specifications of an improvement project financed by bonds; and 
    (4) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway. 
(b) The district may not issue bonds or annex or exclude land until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds or the annexation or exclusion of the land. 
(c) The governing body of the city:
    (1) is not required to adopt a resolution or ordinance to approve plans and specifications described by Subsection (a); and 
    (2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the involvement of the governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff.
Sec. 3867.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3867.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.
Sec. 3867.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

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

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.
Sec. 3867.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3867.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3867.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff.
June 14, 2013.

Sec. 3867.204.  AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND
OTHER OBLIGATIONS.  (a) The district may borrow money on terms
determined by the board.  Section 375.205, Local Government Code,
does not apply to a loan, line of credit, or other borrowing from a
bank or financial institution secured by revenue other than ad
valorem taxes.

(b) The district may issue bonds, notes, or other obligations
payable wholly or partly from ad valorem taxes, assessments, impact
fees, revenue, contract payments, grants, or other district money, or
any combination of those sources of money, to pay for any authorized
district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff.
June 14, 2013.

Sec. 3867.205.  TAXES FOR BONDS.  At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct
annual ad valorem tax, without limit as to rate or amount, for each
year that all or part of the bonds are outstanding as required and in
the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff.
June 14, 2013.

Sec. 3867.206.  TAXES AND BONDS FOR RECREATIONAL FACILITIES.
(a) The limitation on the outstanding principal amount of bonds,
notes, and other obligations provided by Section 49.4645, Water Code,
does not apply to the district.

(b) Section 49.107(h), Water Code, does not apply to the
district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

Sec. 3867.207. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 582 (S.B. 863), Sec. 1, eff. June 14, 2013.

CHAPTER 3868. VALENCIA MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3868.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "County" means Denton County, Texas.

(3) "Development agreement" means the "Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement," effective December 16, 2008, as recorded on January 5, 2009, in the real property records of Denton County, Texas, as Instrument Number 2009-499, as amended by the "First Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement," effective December 1, 2009, as recorded on January 12, 2010, in the real property records of Denton County, Texas, as Instrument Number 2010-2983, between the town and Valencia on the Lake, L.P., a Texas limited partnership, as may be amended.

(4) "Director" means a board member.

(5) "District" means the Valencia Municipal Management District No. 1.

(6) "Town" means the Town of Little Elm, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.
Sec. 3868.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the town and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

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

(d) The creation of the district is in the public interest and is essential to:

1) further the public purposes of developing and diversifying the economy of the state;
2) eliminate unemployment and underemployment; and
3) develop or expand transportation and commerce.

(e) The district will:

1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under Section 3868.113 or other law.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to contract;
(3) authority to borrow money or issue bonds or other obligations described by Section 3868.201 or to pay the principal and interest of the bonds or other obligations;
(4) right to impose or collect an assessment, or collect other revenue; or
(5) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:
(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

(b) If the town creates a tax increment reinvestment zone described by Subsection (a), the town and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:
(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and
(2) any other district purpose, including the right to pledge the money as security for any bonds issued by the district under Section 3868.201.

(c) A tax increment reinvestment zone created by the town in the district is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.
Sec. 3868.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3868.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of three directors composed of:

(1) one director appointed by the governing body of the town who meets the qualifications prescribed by Section 3868.052(a);
(2) the town manager; and
(3) the finance director of the town.

(b) An appointed director serves a term of four years.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.052. QUALIFICATIONS OF APPOINTED DIRECTOR. (a) To be qualified to serve as an appointed director under Section 3868.051(a)(1), a person must:

(1) meet the qualifications of Section 375.063, Local Government Code;
(2) be a partner of a partnership that owns property in the district;
(3) be an officer of a corporation that owns property in the district;
(4) be a member or officer of a limited liability company that owns property in the district; or
(5) be a member or officer of a limited liability company that is a partner of a partnership that owns property in the district.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.
Sec. 3868.053. COMPLETE DISCRETION OF TOWN REGARDING APPOINTMENT OF DIRECTOR. The governing body of the town may refuse to appoint a person who is nominated to be a director and meets the qualifications prescribed by Section 3868.052(a). The governing body has complete discretion in the appointment of a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.054. VACANCY. (a) The remaining directors shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3868.052(a).

(b) If there are fewer than three directors, the governing body of the town shall appoint the necessary number of directors to fill all board vacancies.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.055. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.057. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $150 for each board meeting. The total amount of compensation a director may receive each year may not exceed $6,000. A director who is an
employee of the town may not receive compensation under this subsection.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.058. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from commercial insurance companies or other sources that protect and insure the directors against personal liability and from all claims for actions taken as directors or actions and activities taken by the district or by others acting on its behalf.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3868.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and
reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.104. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.106. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.107. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.
Sec. 3868.108. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.109. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.110. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.
Sec. 3868.111. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.112. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.113. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory to the district, subject to Section 54.016, Water Code, or remove territory from the district, except that:

(1) the addition or removal of the territory must be approved by:

(A) the governing body of the town; and

(B) the owners of the territory being added or removed; and

(2) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from assessments levied or assessed on the territory are outstanding.
Sec. 3868.114. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 3868.115. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

Sec. 3868.116. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Sec. 3868.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3868.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project:
(1) is necessary to accomplish a public purpose of the district; and

(2) complies with the development agreement or the parties to the development agreement agree to the project, in writing.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.154. TOWN REQUIREMENTS. (a) An improvement project in the town must comply with any applicable requirements of the town, including codes and ordinances, that are consistent with the development agreement.

(b) The district may not provide, conduct, or authorize any improvement project on the town's streets, highways, rights-of-way, or easements without the consent of the governing body of the town.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.155. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.156. CONTRACTS. A contract to design, construct,
acquire, improve, relocate, operate, maintain, or finance an improvement project is considered a contract for a good or service under Subchapter I, Chapter 271, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 3868.201. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources. (b) An obligation described by Subsection (a):

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.202. DEVELOPMENT AGREEMENT. Before the district borrows money or issues an obligation under Section 3868.201, the town must provide written notice to the district that no party to the development agreement is in default as of the date the district is authorized to borrow the money or enter the obligation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.203. ASSESSMENTS. The district may impose an assessment on property in the district to pay for an obligation described by Section 3868.201 in the manner provided for:

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

(2) a municipality or county under Subchapter A, Chapter
Sec. 3868.204. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.205. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

SUBCHAPTER E. DISSOLUTION

Sec. 3868.251. DISSOLUTION BY TOWN ORDINANCE. (a) The town may dissolve the district by ordinance.

(b) The town may not dissolve the district until:

(1) the district's outstanding indebtedness or contractual obligations have been repaid or discharged; or

(2) the town agrees to succeed to the rights and obligations of the district.

(c) The town may not dissolve the district until:

(1) each party to the development agreement fulfills the party's obligations under the agreement; and

(2) the district fulfills the district's obligation to pay or reimburse a developer or owner for the costs of improvement projects and services undertaken by the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.
Sec. 3868.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.  
(a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the town succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.  
(b) The town shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:
   (1) the bonds or other obligations when due and payable according to their terms; or
   (2) special revenue or assessment bonds or other obligations issued by the town to refund the outstanding bonds or obligations of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

Sec. 3868.253. ASSUMPTION OF ASSETS AND LIABILITIES.  (a) After the town dissolves the district, the town assumes the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.  
(b) If the town dissolves the district, the board shall transfer ownership of all district property to the town.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1190 (H.B. 3819), Sec. 1, eff. September 1, 2011.

CHAPTER 3869. PADRE ISLAND GATEWAY MUNICIPAL MANAGEMENT DISTRICT  
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3869.001. DEFINITIONS. In this chapter:
   (1) "Board" means the district's board of directors.
   (2) "City" means the City of Corpus Christi.
   (3) "District" means the Padre Island Gateway Municipal Management District.
   (4) "Improvement project" means any program or project authorized by Sections 3869.102 and 3869.160 inside or outside the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff.

Sec. 3869.002. NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.
(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of this state;
(2) eliminating unemployment and underemployment;
(3) providing quality residential housing;
(4) developing or expanding transportation and commerce;
and
(5) improving and enhancing the environment in and around the district and in the city.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways throughout the district, including beaches; and
(4) landscape and develop areas in the district that are necessary for the restoration, preservation, and enhancement of scenic beauty and enhancing and improving the environment as an essential natural resource of this state.

(e) Pedestrian ways along or across a street or a beach, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and a beach and are considered to be an improvement project that includes a street, road, or beach improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act creating this chapter, as that territory may have been modified under Section
3869.107 or other law.

(b) A mistake in the field notes of the district contained in Section 2 of the Act creating this chapter or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, or validity;
(2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;
(3) the district's right to impose or collect an assessment, tax, or any other revenue; or
(4) the legality or operation of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code; or
(3) an enterprise zone created by the city under Chapter 2303, Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the district may accept and use money deposited in the tax increment fund, in accordance with a contract between the city and the district, for a purpose Section 380.002(b), Local Government Code, authorizes for a corporation. The district may pledge the money granted as security for bonds issued by the district for an improvement project.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.007. CONSTRUCTION OF "AD VALOREM TAX." In this chapter, a reference in law to an ad valorem tax refers to an ad valorem tax imposed by the district and not an ad valorem tax imposed by the city.
Sec. 3869.008. LIABILITY RESULTING FROM DISTRICT ACTION. An action of the district or the board does not create a liability against the city or any other political subdivision.

Sec. 3869.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors appointed under Section 3869.052 and three nonvoting directors serving ex officio as provided by Section 3869.054. The five voting directors serve staggered terms of four years.

Sec. 3869.052. APPOINTED DIRECTORS. The governing body of the city shall appoint the voting directors and shall appoint a director to fill each vacancy that occurs on the board, with the appointee to serve for the unexpired term of the former director.

Sec. 3869.053. ELIGIBILITY OF APPOINTED DIRECTORS. (a) To be qualified to serve as a voting director appointed under Section 3869.052, a person must be at least 18 years old and:

(1) a resident of the district who is also a registered voter of the district;
(2) an owner of property in the district;
(3) an owner of stock, whether beneficial or otherwise, of a corporate owner of property in the district;
(4) an owner of a beneficial interest in a trust that owns
property in the district; or

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.054. EX OFFICIO DIRECTORS. (a) The following persons serve ex officio as nonvoting directors:

(1) an assistant city manager of the city appointed by the city manager of the city;

(2) the chief financial officer of the city; and

(3) the economic development director of the city.

(b) If an office described in Subsection (a) is renamed, changed, or abolished, the governing body of the city may appoint another officer or employee of the city who performs duties comparable to those performed by the officer described by Subsection (a).

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.055. FILING OATH OR AFFIRMATION. An initial and an appointed director's oath or affirmation of office shall be filed with the district and the district shall retain the oath or affirmation in the district records.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.056. OFFICERS. The board shall elect from among the initial and appointed directors a presiding officer, an assistant presiding officer, and a secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.
Sec. 3869.057. COMPENSATION; EXPENSES; LIABILITY INSURANCE FOR DIRECTORS. (a) The district may compensate each initial and each appointed voting director in an amount not to exceed $50 for each board meeting. The total amount of compensation per appointed director per year may not exceed $2,000. The district may not compensate a director serving ex officio.

(b) An initial or appointed voting director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director. A director serving ex officio is not entitled to reimbursement.

(c) The district may obtain and pay for comprehensive general liability insurance coverage from commercial insurance companies or other sources that protect and insure the directors against personal liability and from any and all claims for actions taken as directors or actions and activities taken by the district or by others acting on its behalf.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.058. CONFLICTS OF INTEREST. (a) An initial or appointed director may participate in a board discussion or vote only if the director complies with Subsection (b).

(b) A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote if:
   (1) a majority of the appointed directors have a similar interest in the same entity;
   (2) all other similar businesses or charitable entities in the district will receive a similar pecuniary benefit; or
   (3) the appointed director is a property owner in the district.

(d) Section 171.004, Local Government Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff.
Sec. 3869.101. GENERAL POWERS AND DUTIES. The district has the duties imposed and the powers granted by this chapter and the powers provided by:

(1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code;
(2) the general laws relating to road districts and road utility districts created under Section 52, Article III, Texas Constitution;
(3) Subchapter A, Chapter 372, Local Government Code, to a municipality or county;
(4) Chapter 375, Local Government Code;
(5) Chapter 505, Local Government Code, to a corporation created under that chapter; and
(6) Chapter 1371, Government Code, to an issuer, as defined by that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.102. IMPROVEMENT PROJECTS. (a) To the extent authorized by a project development agreement entered into under Section 3869.160, the district may provide, or enter into contracts with a governmental or private entity to provide, the following types of improvement projects or activities in support of or incidental to those projects:

(1) a supply and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater collection facility;
(2) a paved, macadamized, or graveled road or street, inside and outside the district, to the full extent authorized by Section 52, Article III, Texas Constitution;
(3) the planning, design, construction, improvement, and maintenance of:
   (A) landscaping;
(B) highway right-of-way or transit corridor
beautification and improvement;
(C) lighting, banners, and signs;
(D) a street or sidewalk;
(E) a hiking and cycling path or trail;
(F) a pedestrian walkway, skywalk, crosswalk, or
tunnel;
(G) a beach, park, lake, garden, recreational facility,
community activities center, dock, wharf, sports facility, open
space, scenic area, or related exhibit or preserve;
(H) a fountain, plaza, or pedestrian mall; or
(I) a drainage or storm water detention improvement;
(4) protection and improvement of the quality of storm
water that flows through the district;
(5) the planning, design, construction, improvement,
maintenance, and operation of an off-street parking facility or
heliport;
(6) the planning, design, construction, improvement,
maintenance, and operation of a water or sewer facility;
(7) the planning and acquisition of:
(A) public art and sculpture and related exhibits and
facilities; or
(B) an educational facility and a cultural exhibit or
facility;
(8) the planning, design, construction, acquisition, lease,
rental, improvement, maintenance, installation, and management of and
provision of furnishings for a facility for:
(A) a conference, convention, or exhibition;
(B) a manufacturer, consumer, or trade show;
(C) a civic, community, or institutional event; or
(D) an exhibit, display, attraction, special event, or
seasonal or cultural celebration or holiday;
(9) the removal, razing, demolition, or clearing of land or
improvements in connection with an improvement project;
(10) the acquisition and improvement of land or other
property for the mitigation of the environmental effects of an
improvement project;
(11) the acquisition of property or an interest in property
in connection with an authorized improvement project, including any
project authorized by Subchapter A, Chapter 372, Local Government
(12) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety or the environment in or adjacent to the district, including:

(A) advertising;
(B) promotion;
(C) tourism;
(D) health and sanitation;
(E) public safety;
(F) security;
(G) fire protection or emergency medical services;
(H) business recruitment;
(I) development;
(J) the reduction of automobile traffic volume and congestion, including the provision, construction, and operation of light rail or streetcar systems and services; and
(K) recreational, educational, or cultural improvements, enhancements, and services; or

(13) any similar public improvement, facility, or service.

(b) The district may not undertake a project under this section unless:

(1) the board determines the project to be necessary to accomplish a public purpose of the district; and
(2) the project is authorized by a project development agreement entered into under Section 3869.160.

(c) An improvement project must comply with any applicable codes and ordinances of the city.

(d) The district may not provide, conduct, or authorize any improvement project on streets, highways, rights-of-way, or easements of the city without the consent of the governing body of the city.

(e) The district shall transfer to the city title to all or any portion of an improvement project as provided by a project development agreement entered into under Section 3869.160.

(f) If authorized by the city, the district may own, encumber, maintain, and operate an improvement project, subject to the right of the city to order a conveyance of the project to the city on a date determined by the city.

(g) The district shall immediately comply with an ordinance, order, or resolution the city adopts to require the district to
transfer title to an improvement project to the city.

(h) For the purposes of this section, planning, design, construction, improvement, and maintenance of a body of water includes work done for drainage, reclamation, or recreation.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.103. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) contract with any person to accomplish any district purpose included in a project development agreement entered into under Section 3869.160, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including a negotiable or nonnegotiable note or warrant payable to the city, Nueces County, or any other person.

(c) Any person, including the city, may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.
Sec. 3869.104. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district;
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or
(3) to provide for public safety and security in the district, including the regulation or prohibition of automobiles and other motor vehicles from using, entering, or traveling in certain limited access areas in the district, except for safety and emergency purposes.

(b) The district may enforce its rules by injunctive relief.

(c) To the extent a district rule conflicts with a rule, order, ordinance, or regulation of the city, the rule, order, ordinance, or regulation controls.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.105. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to the city.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.106. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OF DISTRICT. (a) The board by rule may regulate the private use of a public roadway, open space, park, sidewalk, or similar public area in the district. To the extent the district rules conflict with a rule, order, ordinance, or regulation of the city, the rule, order, ordinance, or regulation of the city controls. A rule may provide for the safe and orderly use of public roadways, open spaces, parks, sidewalks, and similar public areas or facilities.

(b) In addition to any permit required by the city, the board may require a permit for a parade, demonstration, celebration, entertainment event, or similar nongovernmental activity in or on a public roadway, open space, park, sidewalk, beach, or similar public area or facility owned by the district. The board may charge a fee
for the permit application or for public safety or security services for those facilities in an amount the board considers necessary.

(c) In addition to any permit required by the city, the board may require a permit or franchise agreement with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of the area or facility owned by the district on terms and on payment of a permit or franchise fee the board may impose.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.107. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory to the district, subject to Section 54.016, Water Code, or remove territory from the district, except that:

(1) the addition or removal of the territory must be:
   (A) included in an amended project development agreement entered into under Section 3869.160;
   (B) approved by the governing body of the city; and
   (C) approved by the owners of the territory being added or removed;

(2) a reference to a tax in Subchapter J, Chapter 49, or Section 54.016, Water Code, means an ad valorem tax; and

(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes or assessments levied or assessed on the territory are outstanding.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.108. ECONOMIC DEVELOPMENT. (a) The district may create an economic development program authorized by Section 52-a, Article III, Texas Constitution, and may impose an ad valorem tax in support of the program if the tax is approved by the district's voters.

(b) The district may exercise the economic development powers that:
(1) Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and
(2) Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.109. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3869.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. Except as provided by Section 3869.160, and subject to a project development agreement entered into under Section 3869.160, the district may:

(1) impose an ad valorem tax on all taxable property in the district, including industrial, commercial, and residential property, to pay for an improvement project of a type authorized by Section 52, Article III, or Section 59, Article XVI, Texas Constitution, or to secure payment of bonds issued to pay for those projects;
(2) impose an assessment on property in the district to pay the cost of maintenance of any authorized district improvement in the manner provided for:
   (A) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or
   (B) a municipality or county under Subchapter A,
Chapter 372, Local Government Code;

(3) provide or secure the payment or repayment of any bond, note, other temporary or permanent obligation, reimbursement, or other contract with any person; or

(4) provide or secure the payment or repayment of the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by or through:
  (A) the imposition of an ad valorem tax, or an assessment, user fee, concession fee, or rental charge; or
  (B) any other revenue or resources of the district, or other revenues authorized by the city, including revenues from a tax increment reinvestment zone created by the city;

(5) establish user charges related to the operation of storm water facilities, including the regulation of storm water for the protection of water quality in the district;

(6) establish user charges for the use of nonpotable water for irrigation purposes, subject to the approval of the governing body of the city;

(7) undertake separately or jointly with other persons, including the city or Nueces County, all or part of the cost of an improvement project, including an improvement project:
  (A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or
  (B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(8) enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.152. BORROWING MONEY. The district may borrow money for a district purpose included in a project development agreement entered into under Section 3869.160 by issuing or executing bonds,
notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for the district purpose. The bond, note, credit agreement, or other obligation must be secured by and payable from ad valorem taxes, assessments, or any combination thereof or from other district revenue.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a) The district may impose an impact fee or assessment included in a project development agreement entered into under Section 3869.160 on property in the district, including an impact fee or assessment on residential or commercial property, only in the manner provided by Subchapter A, Chapter 372, or by Subchapter F, Chapter 375, Local Government Code, for a municipality, county, or district, according to the benefit received by the property.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:

1. public water and wastewater facilities;
2. drainage and storm water facilities; and
3. streets and alleys.

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

1. a first and prior lien against the property assessed; and
2. superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(d) The lien of an assessment against property runs with the land. That portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien, and any purchaser of property in a foreclosure of an ad valorem tax lien takes the property subject to the assessment payment obligations that have not yet come due and to the lien and terms of payment under the assessment ordinance or order.

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

(f) The district may not impose an impact fee on the property, including equipment and facilities, of a public utility provider in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.154. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.155. MAINTENANCE AND OPERATION TAX; ELECTION. (a) To the extent authorized by a project development agreement entered into under Section 3869.160, the district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the maintenance and operation tax is approved by a majority of the district voters voting at an election held for that purpose. The proposition in a maintenance and operation tax election may be for a specific maximum rate or for an unlimited rate. If a maximum tax rate is approved, the board may impose the tax at any rate that does not exceed the approved rate.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.
Sec. 3869.156. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.157. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. (a) Except as provided by Sections 3869.159 and 3869.160, the district may issue by competitive bid or negotiated sale bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, or by assessments in the manner provided by Subchapter A, Chapter 372, or by Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or any other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable, wholly or partly, by a pledge of any part of the money the district receives from system or improvement revenues or from any other source, to the extent authorized by a project development agreement entered into under Section 3869.160.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.158. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.
Sec. 3869.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

(b) Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by a majority of the district voters voting at an election held for that purpose.

(c) The district shall hold an election required by this section in the manner provided by Chapter 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.160. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO UNDERTAKE PROJECTS, IMPOSE TAXES, OR BORROW MONEY, INCLUDING BONDS. (a) Before the district may undertake projects, issue bonds, impose taxes, or borrow money, the district and the city must negotiate and execute a mutually approved and accepted project development agreement regarding the development plans and rules for:

(1) the development and operation of the district; and

(2) the financing of improvement projects.

(b) The agreement must:

(1) describe each project the district intends to undertake;

(2) include a financing plan specifying how each project will be financed; and
(3) provide a procedure and rules for amending the agreement.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3869.201. DISSOLUTION BY ORDINANCE. (a) The city by ordinance may dissolve the district on its own volition or at the request of the board.

(b) The city may not dissolve a district until that district's outstanding indebtedness or contractual obligations that are payable from ad valorem taxes have been repaid or discharged.

(c) The city may not dissolve a district until the agreement under Section 3869.160 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

Sec. 3869.202. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.
Sec. 3869.203. ASSUMPTION OF ASSETS AND LIABILITIES. After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other revenue.

Added by Acts 2009, 81st Leg., R.S., Ch. 888 (S.B. 2550), Sec. 1, eff. June 19, 2009.

CHAPTER 3870. MAVERICK IMPROVEMENT DISTRICT
OF PALO PINTO COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3870.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a board member.
(3) "District" means the Maverick Improvement District of Palo Pinto County.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.002. NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, and Sections 52 and 52-a, Article III, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 3870.003 until each
municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public purpose and benefit. By creating the district and in authorizing the county of Palo Pinto and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The district is created to accomplish the purposes of promoting, developing, encouraging, and maintaining employment, commerce, transportation, housing, tourism, recreation, economic development, safety, and the public welfare in the district and to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution;

(2) a county development district as provided by general law and Section 52-a, Article III, Texas Constitution;

(3) Section 52, Article III, Texas Constitution, related to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads; and

(4) Section 52-a, Article III, Texas Constitution, related to the provision of public recreational facilities, including docks and boat access facilities, pedestrian ways and street lighting and parking, and the installation of signage and landscaping and the development of certain areas in the district that are necessary for the restoration, preservation, and enhancement of scenic beauty.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the
Act creating this chapter.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3870.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 3870.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2009, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 3870.003; or

(2) September 1, 2013.

(c) If permanent directors have not been elected under Section 3870.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier
(1) the date permanent directors are elected under Section 3870.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3870.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.103. ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, improve, operate, and maintain macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads, and may convey those roads or improvements to this
state, a county, or a municipality to operate and maintain.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of a municipality under Section 54.016 or 54.0165, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain only inside the district's boundaries.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.
Sec. 3870.107. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person. (b) The board may enter into a contract with another political subdivision or the state to share the costs of construction, acquisition, operation, or maintenance of a transportation improvement, including a road, a bridge, a culvert, a parking facility, or another public improvement. (c) The implementation of a district project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.108. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district: (1) has no outstanding bonded debt; and (2) is not imposing ad valorem taxes. (b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district. (c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter. (d) The board, on its own motion or on receipt of a petition signed by the owners of a majority of the assessed value of real property in the district according to the most recent certified appraisal roll for the county in which the district is located, may adopt an order dividing the district. An order dividing the district may be adopted before or after an election to confirm the district as required by Section 3870.003. (e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 3870.003 to confirm the district's creation. (f) An order dividing the district shall: (1) name each new district; (2) include the metes and bounds of each new district;
(3) appoint temporary directors for each new district; and 
(4) provide for the division of assets and liabilities between each new district.

(g) On or before the 30th day after the adoption of an order dividing the district, the district shall file the order dividing the district with the Texas Commission on Environmental Quality and record the order in the real property records of the county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 49.102, Water Code.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 3870.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS

Sec. 3870.151.  ELECTIONS REGARDING TAXES OR BONDS.  (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3870.153.

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

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.
Sec. 3870.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 3870.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

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

Sec. 3870.153. CONTRACT TAXES. (a) As provided by Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 3870.154. POWERS OF COUNTY DEVELOPMENT DISTRICT. The district has the powers of a county development district provided by Chapter 383, Local Government Code.

Sec. 3870.155. SALES AND USE TAX; ELECTION. (a) The district may adopt a sales and use tax as provided by Chapter 383, Local Government Code, after an election in which the majority of the voters of the district voting in the election authorize the adoption
of the tax.

(b) The board by order may call an election to authorize a sales and use tax. The election may be held with any other district election.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Section 3870.151.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.156. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by Section 3870.155, there is imposed a tax on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption in the district of taxable items purchased, leased, or rented from a retailer in the district during the period after the tax is in effect.

(b) The board shall determine the rate of the tax, which may be in one-eighth of one percent increments not to exceed the maximum rate authorized by the district voters at the election. The board may lower the tax rate to the extent it does not impair any outstanding debt or obligations payable from the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff. September 1, 2009.

Sec. 3870.157. HOTEL OCCUPANCY TAX. (a) In this section, "hotel" has the meaning assigned by Section 156.001, Tax Code.

(b) For purposes of this section, a reference in Subchapter A, Chapter 352, Tax Code, to a county is a reference to the district and a reference in Subchapter A, Chapter 352, Tax Code, to the county's officers or governing body is a reference to the board.

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

(d) The district may impose a hotel occupancy tax for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; and
(3) provide a service.

(e) The district may examine and receive information related to
the imposition of hotel occupancy taxes to the same extent as if the
district were a county.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff.
September 1, 2009.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 3870.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract
payments, grants, or other district money, or any combination of
those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff.
September 1, 2009.

Sec. 3870.202. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct
ad valorem tax, without limit as to rate or amount, while all or part
of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff.
September 1, 2009.

Sec. 3870.203. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 245 (S.B. 2470), Sec. 1, eff.
September 1, 2009.
CHAPTER 3871. TRINITY RIVER WEST MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3871.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Dallas.
(3) "District" means the Trinity River West Municipal Management District.
(4) "Improvement project" means a project authorized by Section 3871.102:
   (A) inside the boundaries of the district; and
   (B) in areas outside but adjacent to the boundaries of the district if the project is for the purpose of extending public infrastructure improvements beyond the district's boundaries to a logical terminus.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, the public welfare in the district, and educational scholarships for college-bound students residing in or out of the district.
The district is created to supplement and not to supplant city services provided in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

1. developing and diversifying the economy of the state;
2. eliminating unemployment and underemployment;
3. developing or expanding transportation and commerce;

and

4. providing quality residential housing.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center;
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
4. provide educational scholarships for college-bound students residing in or out of the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act creating this chapter, as that territory may have been modified under Section 3871.106.

(b) A mistake in the field notes of the district contained in Section 2 of the Act creating this chapter or in copying the field notes in the legislative process does not in any way affect:
   (1) the district's organization, existence, or validity;
   (2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;
   (3) the district's right to impose or collect an assessment, tax, or any other revenue; or
   (4) the legality or operation of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:
   (1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;
   (2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code; or
   (3) an enterprise zone created by the city under Chapter 2303, Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to
pledge the money as security for any bonds issued by the district for an improvement project. A project may not receive public funds under Section 380.002(b), Local Government Code, unless the project has been approved by the governing body of the city by the adoption of a resolution.

(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(b), Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3871.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of nine directors composed of:

(1) six directors appointed by the governing body of the city; and

(2) three city employees appointed by the governing body of the city.

(b) Directors serve staggered terms of four years, with four or five directors' terms expiring July 1 of each odd-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.052. APPOINTMENT OF DIRECTORS: BOARD MEETINGS. (a) Directors appointed under Section 3871.051(a)(1) must meet at least one of the qualifications prescribed by Section 3871.053.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than:

(1) four of the directors being residents of the city and meeting the qualifications prescribed by Section 3871.053(a)(2), (3), (4), or (5); and

(2) two of the directors meeting the qualifications prescribed by Section 3871.053(a)(1).

(c) The governing body of the city may remove a member of the board with or without cause at any time by a majority vote.

(d) The board shall hold meetings at a place accessible to the public. The board shall file a copy of the notice of a meeting with
the city's secretary. The city's secretary shall post the notice at Dallas City Hall.

(e) The board may not create an executive committee to exercise the powers of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.053. QUALIFICATIONS OF DIRECTORS. (a) To be qualified to serve as a director appointed under Section 3871.051(a)(1), a person must be at least 18 years old and must be:

(1) a resident of the district who is also a registered voter of the district or a registered voter who lives within a two-mile radius of the district;

(2) an owner of property in the district;

(3) an owner of stock, whether beneficial or otherwise, of a corporate owner of property in the district;

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.054. VACANCY. The governing body of the city shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3871.051(a) or 3871.053 to serve for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.055. DIRECTOR'S OATH OR AFFIRMATION. A director's oath or affirmation of office shall be filed with the district and the district shall retain the oath or affirmation in the district records. A copy of each director's oath or affirmation of office is...
shall be filed with the city's secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person concurrently.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.057. COMPENSATION; EXPENSES; LIABILITY INSURANCE FOR DIRECTORS. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation for each director in one year may not exceed $2,000.

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

(c) The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from any and all claims relating to:

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.058. CONFLICTS OF INTEREST. (a) A director, including a director who qualifies under Section 3871.053(a)(2), (3), (4), or (5), may participate in all board votes and decisions if the director complies with the requirements of Subsection (b).

(b) A director shall comply with Section 171.004, Local Government Code, including the disclosure and abstention requirements of that section. A director must file a copy of the director's
disclosure affidavit required by Section 171.004, Local Government Code, with the city's secretary before participating in a board discussion or vote.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3871.101. GENERAL POWERS AND DUTIES. The district has the powers and duties provided by this chapter and by:

(1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code;

(2) Chapter 441, Transportation Code, except that:

(A) the district may exercise any power granted by this chapter without regard to any provision or requirement of or procedure prescribed by Chapter 441, Transportation Code; and

(B) the district may not build or operate a toll road;

(3) Subchapter A, Chapter 372, Local Government Code, in the same manner as a municipality or a county;

(4) Chapter 1371, Government Code;

(5) Chapter 375, Local Government Code; and

(6) Chapter 311, Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects located in the district or activities in support of or incidental to those projects:

(1) a supply and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater collection facility;

(2) a paved, macadamized, or graveled road or street, inside and outside the district, to the full extent authorized by Section 52, Article III, Texas Constitution;

(3) the planning, design, construction, improvement, and
maintenance of:
   (A) landscaping;
   (B) highway right-of-way or transit corridor beautification and improvement;
   (C) lighting, banners, and signs;
   (D) a street or sidewalk;
   (E) a hiking and cycling path or trail;
   (F) a pedestrian walkway, skywalk, crosswalk, or tunnel;
   (G) a park, lake, garden, recreational facility, community activities center, dock, wharf, sports facility, open space, scenic area, or related exhibit or preserve;
   (H) a fountain, plaza, or pedestrian mall; or
   (I) a drainage or storm-water detention improvement;
(4) protection and improvement of the quality of storm water that flows through the district;
(5) the planning, design, construction, improvement, maintenance, and operation of:
   (A) a water or sewer facility; or
   (B) an off-street parking facility or heliport;
(6) the planning and acquisition of:
   (A) public art and sculpture and related exhibits and facilities; or
   (B) an educational facility, and a cultural exhibit or facility;
(7) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
   (A) a conference, convention, or exhibition;
   (B) a manufacturer, consumer, or trade show;
   (C) a civic, community, or institutional event; or
   (D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;
(8) the removal, razing, demolition, or clearing of land or improvements in connection with improvement projects;
(9) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project if those costs are incurred in accordance with a development agreement and reimbursement of those costs is conditioned on the completion of substantial vertical development, or the costs
are related to a transit or mobility project;
(10) the acquisition of property or an interest in property in connection with one or more authorized improvement projects, including a project authorized by Subchapter A, Chapter 372, Local Government Code;
(11) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:
(A) advertising;
(B) promotion;
(C) tourism;
(D) health and sanitation;
(E) public safety;
(F) security;
(G) fire protection or emergency medical services;
(H) business recruitment;
(I) elimination of traffic congestion, including by use of rail services;
(J) recreational, educational, or cultural improvements, enhancements, and services; and
(K) creation and financing of a higher education scholarship fund for students attending Mountain View College or the University of North Texas (Dallas Campus); or
(12) any similar public improvement, facility, or service.
(b) The district may not undertake an improvement project under this section unless the board determines the project to be necessary to accomplish a public purpose of the district and has received the approval of the city under Section 3871.160.
(c) An improvement project must comply with any applicable codes and ordinances of the city.
(d) The district may not provide, conduct, or authorize an improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.
(e) Subject to an agreement between the district and the city, the city may:
(1) by ordinance, order, or resolution require that title to all or any portion of an improvement project vest in the city; or
(2) unless prohibited by Subsection (h), by ordinance, order, resolution, or other directive, authorize the district to own,
encumber, maintain, and operate an improvement project, subject to
the right of the city to order a conveyance of the improvement
project to the city on a date determined by the city.

(f) The district shall immediately comply with any city
ordinance, order, or resolution adopted under Subsection (e).

(g) For the purposes of this section, planning, design,
construction, improvement, and maintenance of a lake includes work
done for drainage, reclamation, or recreation.

(h) Waterworks and sanitary sewer improvements may be
undertaken by the district inside or outside the boundaries of the
district, subject to the following conditions:

(1) the city shall request that waterworks or sanitary
sewer improvements be funded by the district;

(2) the city shall construct, own, operate, and maintain
the improvements; and

(3) the district shall comply with Sections 3871.152,
3871.157, and 3871.160 as a condition for the district to fund the
improvements.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1,

Sec. 3871.103. GENERAL POWERS REGARDING CONTRACTS. (a) The
district may:

(1) contract with any person to accomplish any district
purpose, including a contract for:

(A) the payment, repayment, or reimbursement of costs
incurred by that person on behalf of the district, including all or
part of the costs of any improvement project and interest on the
reimbursed cost; or

(B) the use, occupancy, lease, rental, operation,
maintenance, or management of all or part of a proposed or existing
improvement project; and

(2) apply for and contract with any person to receive,
administer, and perform a duty or obligation of the district under a
federal, state, local, or private gift, grant, loan, conveyance,
transfer, bequest, or other financial assistance arrangement relating
to the investigation, planning, analysis, study, design, acquisition,
construction, improvement, completion, implementation, or operation
by the district or others of a proposed or existing improvement project.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including a negotiable or nonnegotiable note or warrant payable to the city, Dallas County, or any other person.

(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

(d) The district must follow Resolution 08-2826, adopted by the city on October 22, 2008, for construction, procurement, and professional services contracts related to the use of historically underutilized businesses and minority contracting in the implementation of its district plan.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.104. RULES; ENFORCEMENT. (a) The district may adopt rules:

1. to administer or operate the district;
2. for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or
3. to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

(c) To the extent a district rule conflicts with a city rule, order, or regulation, the city rule, order, or regulation controls.

(d) The district shall provide the city with written notice not later than the 30th day before the date of a meeting at which the board will adopt rules. The district may not adopt a rule affecting the use of a municipally owned asset, such as a public park, street, sidewalk, transit facility, or public right-of-way, unless the governing body of the city has approved the rule by ordinance, order, or resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.
Sec. 3871.105. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to the city.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.106. ADDING OR REMOVING TERRITORY. The board may add or remove territory under Subchapter J, Chapter 49, Water Code, and Section 54.016, Water Code, except that:

(1) the addition or removal of the territory must be approved by:
   (A) the governing body of the city by ordinance, order, or resolution; and
   (B) the owners of the territory being added or removed;

(2) a reference to a tax in Subchapter J, Chapter 49, Water Code, or Section 54.016, Water Code, means an ad valorem tax; and

(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes or assessments levied or assessed on the territory are outstanding.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.107. ECONOMIC DEVELOPMENT. (a) The district may create economic development and other programs under Section 52-a, Article III, Texas Constitution, and may impose and collect ad valorem taxes for those purposes. The district has the economic development powers that Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000. Each economic development program and each project that will receive public funds under an economic development program must be approved by the governing body of the city by ordinance, order, or resolution.

(b) The district shall provide the city written notice not later than the 30th day before the date of a meeting at which the board will adopt terms of an economic development program. The district may not adopt an economic development program or improvement project to be funded under an economic development program unless the
governing body of the city has approved the program or improvement project by ordinance, order, or resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.108. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.109. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary. An employee may not receive annual compensation of more than $150,000 from public funds of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.110. NOTICE TO PROPERTY OWNERS. (a) The board shall annually provide owners of real property in the district written notice that specifies the tax of the district for the district's next fiscal year in sufficient clarity to describe the tax rate for the operation and maintenance of the district and the tax rate for the payment of debt service of obligations issued or incurred by the district. The written notice must be sent by first class United States mail, postage prepaid, to the current address of the property owner as reflected on the tax rolls of the appraisal district.

(b) The notice must clearly state that the tax rates on real property imposed in the district are in addition to the ad valorem taxes imposed by other taxing units that tax real property in the boundaries of the district.

(c) The district shall generate and implement a program to provide notification to a prospective purchaser of property in the district of the rates of tax and assessments that have been approved
and are imposed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 3871.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. (a) Except as provided by Section 3871.160, the district may:

1. impose an ad valorem tax on all taxable industrial and commercial property in the district to pay for any improvement projects of the types authorized by Section 52(b), Article III, and Section 59, Article XVI, Texas Constitution, and to secure the payment of bonds issued for those purposes;

2. impose an assessment on property in the district to pay the cost of any authorized improvement project and the cost of the maintenance of the project in the manner provided for:
   - (A) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or
   - (B) a municipality or county under Subchapter A, Chapter 372, Local Government Code;

3. provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person, the costs and expenses of the establishment, administration, and operation of the district, and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by or through:
   - (A) the imposition of an ad valorem tax, assessment, user fee, concession fee, or rental charge; and
   - (B) any other revenue or resources of the district, or other revenue authorized by the city, including revenue from a tax increment reinvestment zone created by the city under applicable law;

4. establish user charges related to the operation of storm-water facilities, including the regulation of storm water for the protection of water quality in the district;

5. establish user charges for the use of nonpotable water for irrigation purposes, subject to the approval of the governing body of the city;

6. undertake separately or jointly with other persons,
including the city or Dallas County, all or part of the cost of any improvement project, including an improvement project:

(A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or

(B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(7) enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities.

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

(1) more than 65 percent of the record owners of real property in the district subject to taxation; or

(2) owners representing more than 65 percent of the appraised value of real property in the district subject to taxation, as determined by the tax rolls of the appraisal district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.152. BORROWING MONEY. (a) The district may borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for any district purpose. The bond, note, credit agreement, or other obligation may be secured by and payable from ad valorem taxes, assessments, a combination of ad valorem taxes and assessments, or other district revenue. The governing body of the city must approve the issuance of bonds, notes, credit agreements, or other obligations of the district, in general terms before the preparation of preliminary official statements or loan closing documents, as provided by the development and operating agreement approved by the city in accordance with Section 3871.160,
The governing body of the city must approve the final terms of the bond issuance, note, or credit facility, including the principal amount, note amount, interest rate or rates, redemption provisions, and other terms and conditions relating to the issuance.

(c) The district shall file annual audited financial statements with the city's secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.153. ASSESSMENTS; EXEMPTION. (a) The district may impose an assessment on property in the district, including an assessment on commercial, industrial, or office property, only in the manner provided by Subchapter A, Chapter 372, Local Government Code, or Subchapter F, Chapter 375, Local Government Code, for a municipality, county, or public improvement district, according to the benefit received by the property.

(b) An assessment on property must be for the limited purpose of providing capital funding for:

1. public water and wastewater facilities;
2. drainage and storm-water facilities;
3. streets and alleys; and

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

1. are a first and prior lien against the property assessed; and
2. are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(d) A lien of an assessment against property under this chapter runs with the land, and the portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien. Any purchaser of property in
a foreclosure of an ad valorem tax lien takes the property subject to the assessment payment obligations that have not yet come due and to the lien and terms of payment under the applicable assessment ordinance or order.

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

(f) The district shall file notice of any tax or assessment imposed by the district with the county clerk of Dallas County and post the notice on the district's Internet website.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.154. RESIDENTIAL PROPERTY EXEMPT. The district may not impose taxes, assessments, fees, or any other requirement for payment, construction, alteration, or dedication on single-family detached residential property, residential condominiums, duplexes, triplexes, and quadruplexes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.155. MAINTENANCE AND OPERATION TAX; ELECTION. (a) The district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses, including expenses of the city payable under the terms of the project development agreement described by Section 3871.160.

(b) The district may not impose a maintenance and operation tax for improvement projects under this chapter unless the imposition of the tax is approved by the voters of the district voting at an election held for that purpose. An election may be called only on
receipt of a petition as provided by Section 3871.151(b).

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.156. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.157. BONDS AND OTHER OBLIGATIONS. (a) Subject to the requirements of Sections 3871.159 and 3871.160, the district may issue by public or private sale bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, or by assessments in the manner provided by Subchapter A, Chapter 372, Local Government Code, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or any other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, Local Government Code, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from system or improvement project revenue or from any other source.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.
Sec. 3871.158. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.160. DEVELOPMENT AND OPERATING AGREEMENT REQUIRED.

(a) After the district's board is organized, but before the district may undertake any improvement project, issue bonds, impose taxes, levy assessments or fees, or borrow money, the district and the city must negotiate and execute a mutually approved and accepted development and operating agreement, including any limitations imposed by the city, regarding the plans and rules for:

(1) the exercise of the powers granted to the district under this chapter, including the organization, development, and operation of the district;

(2) the selection and description of improvement projects that may be undertaken and financed by the district and the ownership, operation, and maintenance of those projects;

(3) the terms, conditions, methods, means, and amounts of financing authorized by this chapter that the district may use in providing improvement projects; and
(4) the amounts, methods, and times of reimbursement to the
city for costs and expenses, if any, incurred by the city with
respect to the development and operation of the district and the
financing of improvement projects by the district.

(b) An agreement authorized by this section is not effective
until its terms and execution are approved by the board and the
governing body of the city by resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1,

SUBCHAPTER E. DISSOLUTION

Sec. 3871.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by
ordinance may dissolve the district.

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

(c) The city may not dissolve the district until the agreement
under Section 3871.160 has been executed and the district's
performance under the agreement has been fulfilled, including any
right or obligation the district has to reimburse a developer or
owner for the costs of improvement projects.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1,

Sec. 3871.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.
(a) If the dissolved district has bonds or other obligations
outstanding secured by and payable from assessments or other revenue,
other than ad valorem taxes, the city shall succeed to the rights and
obligations of the district regarding enforcement and collection of
the assessments or other revenue.

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.253. CONCURRENCE ON ADDITIONAL POWERS. If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city consents to that change by resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

Sec. 3871.254. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1067 (H.B. 4720), Sec. 1, eff. June 19, 2009.

CHAPTER 3872. CHAMBERS COUNTY IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3872.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a board member.

(3) "District" means the Chambers County Improvement District No. 2.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.
Sec. 3872.002. CREATION AND NATURE OF DISTRICT; IMMUNITY. (a) The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are essential government functions and are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.

(c) This chapter does not waive any governmental or sovereign immunity from suit, liability, or judgment applicable to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.
Amended by:
  Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 1, eff. May 29, 2017.

Sec. 3872.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 3872.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.005. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of
Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district, the legislature has established a program to accomplish the public purposes set out in Sections 52 and 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve the City of Baytown, Chambers County, or any other governmental entity from providing the level of services provided, as of the effective date of the Act creating this chapter, to the area in the district. The district is created to supplement and not to supplant the governmental services provided in the area in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve,
maintain, and enhance the economic health and vitality of the district territory as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and road facilities and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 2, eff. May 29, 2017.

Sec. 3872.007. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

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

(1) organization, existence, or validity;

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

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

(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.
Sec. 3872.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district may be included in one or more of the following:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 3, eff. May 29, 2017.

Sec. 3872.009. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.010. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.011. CONFLICTS OF LAW. This chapter prevails over any provision of general law, including a provision of Chapter 375, Local Government Code, or Chapter 49, Water Code, that is in conflict or inconsistent with this chapter.
Sec. 3872.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors elected or appointed as provided by this chapter and Chapter 49, Water Code.

(b) Except as provided by Section 3872.052, directors serve staggered four-year terms.

Sec. 3872.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 3872.003; or

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

(c) If permanent directors have not been elected under Section 3872.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 3872.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.053. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code, for directors of a municipal utility district. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.054. DISQUALIFICATION OF DIRECTORS. Section 49.052, Water Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 5, eff. May 29, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3872.101. GENERAL POWERS. (a) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, works, facilities, and improvements necessary or convenient to accomplish the purposes of the district authorized by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district has the rights, powers, privileges, authority, and functions conferred by the general law of this state applicable to:

(1) a municipal management district, including Chapter 375, Local Government Code; and

(2) municipal utility districts, including Chapters 49 and 54, Water Code.
Sec. 3872.102. RECREATIONAL FACILITIES. The district may develop or finance recreational facilities as authorized by Chapter 375, Local Government Code, Sections 52 and 52-a, Article III, Texas Constitution, Section 59, Article XVI, Texas Constitution, and any other law that applies to the district.

Sec. 3872.103. EVALUATION OF FEASIBILITY. For purposes of any applicable evaluation by the Texas Commission on Environmental Quality of the economic feasibility of the district or its project and bonds, debt service tax rate, maintenance tax rate, or overlapping tax rate, the commission shall treat the district as a municipal utility district situated wholly within Harris County, Texas.

Sec. 3872.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may own, operate, maintain, improve, design, acquire, construct, finance, and issue bonds, notes, or other obligations for macadamized, graveled, or paved roads or improvements, including storm drainage and other improvements located in or adjacent to road rights-of-way, in aid of those roads.
Sec. 3872.1051. CONVEYANCE AND APPROVAL OF ROAD PROJECT. (a) The district may convey a road project authorized by Section 3872.104 to:

(1) the municipality or county that will operate and maintain the road if the municipality or county has approved the plans and specifications of the road project; or

(2) the state if the state will operate and maintain the road and the Texas Transportation Commission has approved the plans and specifications of the road project.

(b) Except as provided by Subsection (c), the district shall operate and maintain a road project authorized by Section 3872.104 that the district implements and does not convey to a municipality, a county, or this state under Subsection (a).

(c) The district may agree in writing with a municipality, a county, or this state to assign operation and maintenance duties to the district, the municipality, the county, or this state in a manner other than the manner described in Subsections (a) and (b).

Added by Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 8, eff. May 29, 2017.

Sec. 3872.106. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.107. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of
this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a member of the corporation's board of directors is not required to reside in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.108. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.109. LAW ENFORCEMENT SERVICES. Section 49.216, Water Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 9, eff. May 29, 2017.

Sec. 3872.110. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.
Sec. 3872.111. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.112. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with a municipality under Section 43.0751, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.113. LIMITED EMINENT DOMAIN. (a) The district may exercise the power of eminent domain only for the purposes, only to the extent, and subject to the limitations the general law provides for a municipal utility district.

(b) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 3872.104; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.114. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49,
Water Code.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.115. FIREFIGHTING AND EMERGENCY MEDICAL SERVICES. Subchapter L, Chapter 49, Water Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3872.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, maintain, or provide any works, facilities, improvements, or services authorized under this chapter, Chapter 375, Local Government Code, or Chapters 49 and 54, Water Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.
(b) A petition filed under Subsection (a) must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Chambers County; or

(2) at least 25 persons who own real property in the district subject to assessment, if more than 25 persons own real property in the district subject to assessment as determined by the most recent certified tax appraisal roll for Chambers County.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district regardless of whether the part of the district where the assessment is to be imposed is subject to an assessment previously imposed by the board.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.
Amended by:
  Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 10, eff. May 29, 2017.

Sec. 3872.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.157. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3872.161, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.158. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.159. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS. (a) The district may borrow money on terms and conditions as determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.160. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner
provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.161. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3872.158.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.162. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.163. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff.
Sec. 3872.201. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.202. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the defined area or designated property, the board shall call and hold an election in the defined area or within the boundaries of the designated property only.

(b) The election shall be conducted as provided by Section 3872.161.

(c) The board may submit the issues to the voters on the same ballot to be used in another election.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.203. DECLARING RESULTS AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) The board's order is not subject to judicial review except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.
Sec. 3872.204. TAXES FOR IMPROVEMENTS AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3872.203, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.205. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3872.203 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. MUNICIPAL ANNEXATION AND EFFECT ON MUNICIPAL POWERS

Sec. 3872.251. MUNICIPAL ANNEXATION OF THE DISTRICT. Notwithstanding Chapter 43, Local Government Code, a municipality in whose extraterritorial jurisdiction the district is located may annex all or part of the district. Municipal annexation of all or part of the district has no effect on the validity of the district and the district shall continue to exist and exercise the powers granted by this Act. Municipal annexation does not result in total or partial dissolution of the district or an assumption by the annexing municipality of any of the district's obligations or indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.252. EFFECT ON MUNICIPAL POWERS. (a) The creation of the district does not affect the power of a municipality in whose extraterritorial jurisdiction the district or part of the district
lies to:

1. designate all or part of the district as an industrial district;
2. limit a power of the municipality conferred by Chapter 42, Local Government Code; or
3. provide municipal services to any area in the municipality or its extraterritorial jurisdiction that is also in the district.

(b) The creation of the district does not affect the power the municipality had before the district was created to spend money or provide services.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

CHAPTER 3873. KAUFMAN COUNTY PARKS IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3873.001. DEFINITIONS. In this chapter:

1. "Board" means the district's board of directors.
2. "City" means the City of Forney.
3. "Commissioners court" means the Commissioners Court of Kaufman County.
4. "County" means Kaufman County.
5. "Director" means a board director.
6. "District" means the Kaufman County Parks Improvement District.
7. "Park" includes any land, including any improvements to the land, that is located in the district or owned or leased by the city for use of the general public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.002. NATURE OF DISTRICT. The Kaufman County Parks Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.
Sec. 3873.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

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

(2) preserve and conserve the natural resources of the state.

(d) The district will:

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

(2) promote the health, safety, welfare, and enjoyment of the public by landscaping, developing, maintaining, financing, operating, and making capital improvements to parks in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty;

(3) conserve the natural resources of the district; and

(4) cooperate with the city in the furtherance of common purposes of the city and the district.

(e) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.005. INITIAL DISTRICT TERRITORY. The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter
shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER B. CONFIRMATION OF CREATION OF DISTRICT**

Sec. 3873.051. CONFIRMATION ELECTION. (a) The commissioners court may order an election on the issue of confirming the creation of a district:

1. on the commissioners court's own motion; or
2. after the filing of a written petition signed by a number of the registered voters who reside in the area of the proposed district equal to at least five percent of the votes received in that area in the most recent gubernatorial general election.

(b) The petition or commissioners court's motion must include:

1. the name of the district;
2. an accurate description of the area included in the district by any appropriate method, including by metes and bounds and by public roads or rights-of-way; and
3. an accurate plat of the area included in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.052. NOTICE OF HEARING. (a) If a petition is filed under Section 3873.051(a)(2), the commissioners court shall set a date for a hearing on the petition that is after the 20th day but on or before the 40th day after the date the petition is filed.

(b) The commissioners court shall publish notice of the petition and the hearing date in a newspaper of general circulation in the county.

(c) The notice must be published once each week for a period of two weeks before the hearing date.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.
Sec. 3873.053. HEARING. (a) At the hearing, evidence shall be taken as in civil cases in the county court. The commissioners court shall hear all arguments for and against confirming the creation of the district.

(b) The hearing may be adjourned from time to time on good cause shown.

(c) The commissioners court shall grant the petition and order the election on the issue of confirming the creation of the district if the commissioners court finds that:

(1) the petition is signed by the required number of registered voters;

(2) the district will serve the purposes prescribed by Sections 3873.003 and 3873.004; and

(3) the district includes any area within the boundaries of the city.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.054. CONFIRMATION ELECTION. (a) The election shall be held in the area of the proposed district on the date of the first regularly scheduled countywide election that follows the date of the order of the election and for which there is sufficient time to comply with other requirements of law.

(b) The returns on the election shall be certified and canvassed and the results declared, in the same manner as provided for other county elections. If a majority of the votes received on the issue favor creation of the district, the commissioners court shall declare the creation of the district confirmed and shall enter the results in its minutes at its next regularly scheduled meeting.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.055. COSTS OF CREATION, CONFIRMATION, AND ORGANIZATION. The costs necessarily incurred in the creation, confirmation, and organization of the district may be paid from the district's tax revenue or from revenue from bond anticipation notes, the first revenue bonds issued by the district, or any other source.
SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 3873.101. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Sec. 3873.102. ELECTION DATE. The board shall hold elections for directors on the uniform election date in May in odd-numbered years. The elections of the first directors under this section shall be held on the first uniform election date in May that occurs in the years in which initial directors' terms expire under Section 3873.107.

Sec. 3873.103. ELIGIBILITY. (a) A director must be a citizen of the United States and must reside in the district.

(b) A director may not be an officer or employee of the county or the city.

(c) A director may not serve more than four consecutive full terms.

Sec. 3873.104. VACANCY. If a vacancy occurs on the board, the board shall appoint a person to fill the vacancy for the remainder of the unexpired term.

Sec. 3873.105. QUORUM. Three directors constitute a quorum of the board. The board may act on the majority of the vote of the assembled quorum.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.106. COMPENSATION AND REIMBURSEMENT. A director is not entitled to compensation but is entitled to reimbursement for necessary expenses, including travel expenses, incurred in performing the duties of a director. If the amount of a director's reimbursement for necessary expenses exceeds $250, the board must approve the reimbursement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.107. INITIAL VOTING DIRECTORS. (a) The initial board consists of five voting directors who meet the eligibility requirements described by Section 3873.103 and are appointed by the commissioners court.

(b) Of the initial directors, the terms of directors appointed for positions 1 through 3 expire June 1, 2011, and the terms of directors appointed for positions 4 and 5 expire June 1, 2013.

(c) Section 3873.102 does not apply to this section.

(d) If permanent directors have not been elected under Section 3873.102 and the terms of the initial directors expire, the commissioners court shall appoint successor initial directors to serve four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 3873.151. DEPOSITORIES AND DISBURSEMENTS. (a) Money and
other funds belonging to or under control of the board are public funds.

(b) The board shall select depositories for the money.

(c) A warrant or check for the withdrawal of money must be signed by two persons authorized to sign a warrant or check by resolution entered in the minutes of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.152. PERSONNEL. (a) The board may employ managers, secretaries, stenographers, bookkeepers, accountants, technical experts, and any other support personnel or agents the board considers necessary.

(b) The board shall determine the qualifications and set the duties of employees.

(c) The board may call on the county attorney, district attorney, or criminal district attorney of the county for the legal services it requires. In addition, or in the alternative, the board may contract for and compensate its own legal staff.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.153. SEAL. The board shall adopt a seal to place on each lease, deed, or other instrument usually executed under seal and on other instruments as the board requires.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.154. CONTRACTS. (a) The board may enter into any contract that the board considers necessary or convenient to carry out the purposes and powers granted by this chapter, including a lease or other contract connected with, incident to, or affecting the acquisition, financing, construction, equipment, maintenance, renovation, repair, improvement, or operation of real property or facilities.
(b) If the contract is for an amount less than or equal to the amount provided by Section 262.023, Local Government Code, the board may enter into the contract without advertisement. If the contract is for more than that amount, the contract is subject to the bidding provisions for contracts applicable to a county under that section.

(c) To be effective, a contract must be:
(1) approved by resolution of the board;
(2) executed by the president or vice president; and
(3) attested by the secretary or treasurer.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.155. SUITS. The board may sue and be sued in its own name.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.156. DISTRICT RULES AND ORDERS; CRIMINAL PENALTY; CIVIL ENFORCEMENT. (a) The board may adopt reasonable rules and orders applicable to:
(1) the administration, enforcement, and collection of district taxes;
(2) littering and litter abatement in the parks in the district, including the possession and disposition of glass containers;
(3) activities that endanger the health and safety of persons or property in parks in the district;
(4) tenants, business privileges, concessionaires, users, and activities affecting district property and facilities, including any provision necessary to protect and conserve natural resources; and
(5) a road that borders or runs through a park, subject to an applicable municipal ordinance.

(b) A police officer, constable, sheriff, or other law enforcement officer with jurisdiction in the county may arrest a person violating rules or orders of the board and carry out the prosecution of a person arrested under this subsection in the proper
(c) A person who violates a rule or order adopted under this section commits an offense. An offense under this section is a Class C misdemeanor.

(d) The county attorney, district attorney, and criminal district attorney or an attorney retained by the board for this purpose may bring an action to enjoin a violation of board rules or orders.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.157. BOND NOT REQUIRED. If the board brings an action to enforce this subchapter or enjoin a violation of a rule or order adopted by the board under this subchapter, the board is not required to post a bond.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.158. POWER TO ACQUIRE PROPERTY. (a) For the conservation of the district's natural resources, the board may acquire land in the county, inside or outside the district, including streams, lakes, submerged lands, and swamplands, to create parks. The board may develop, improve, protect, and promote the land in a manner the board considers conducive to the general welfare.

(b) The land may be acquired by:
(1) gift or devise;
(2) lump-sum payment; or
(3) installment payments regardless of an option to purchase.

(c) The district does not have the power of eminent domain.

(d) The commissioners court by eminent domain may not acquire land for park purposes and subsequently transfer by any means the land or control of the land to the board for park purposes. If the commissioners court by eminent domain acquires land for purposes other than park purposes, the court may not subsequently transfer by any means the land or control of the land to the board for park purposes unless at least 10 years have expired after the date of the
acquisition by the court. This subsection applies only to land that the commissioners court acquires by eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.159. SALE OR LEASE OF LANDS. (a) If the board determines that land owned by the district is not necessary for the purposes for which the land was acquired, the board may sell and dispose of the land on terms the board considers advisable.

(b) The board may lease or permit the use of land for purposes consistent with the purposes for which the land was acquired and on terms the board considers advisable.

(c) Before land owned by the district may be sold, once a week for four consecutive weeks in a newspaper of general circulation in the county the board must publish a notice of its intention to sell the land. The notice must include an accurate description of the land, the time of a public hearing that is before the 10th day before the disposition date, and the time and place at which sealed bids will be received.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.160. ACCEPTANCE OF GRANTS AND GRATUITIES. To promote, establish, or accomplish a purpose of this chapter, the board may:

(1) accept grants and gratuities in any form from any source, including the United States government, this state, any state or federal agency, any private or public corporation, or any other person;

(2) accept donations of money or other property; and

(3) act as trustee of land, money, or other property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.161. COOPERATION WITH OTHER PUBLIC AUTHORITIES.
Under an agreement with a public authority, including the city, in control of parkland in the county, the district may assume control of all or part of the parkland in or contiguous to the district or may contract or cooperate with the authority in connection with the use, development, improvement, and protection of the parkland.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.162. REQUIREMENTS FOR RENTAL OF WATER-ORIENTED RECREATIONAL EQUIPMENT. (a) This section applies only to the rental of water-oriented recreational equipment in the district.

(b) A person may not rent water-oriented recreational equipment to a person younger than 18 years of age.

(c) A person may rent water-oriented recreational equipment to a person who is at least 18 years of age only if:

   (1) each person who is at least 18 years of age who will use the equipment signs a written agreement for the rental of that equipment; and

   (2) each person who will use the equipment, regardless of age, is listed on the agreement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.163. PLAN FOR DEVELOPMENT OF PARKS; ANNUAL BUDGET; FILING. (a) The board shall develop and approve a three-year master plan for capital development and the development of parks and district facilities.

(b) The board shall annually review and revise the master plan during the budget process and shall file a copy of the master plan and revisions with the county clerk.

(c) The board shall annually develop and approve a one-year budget that must include the suggested revisions and additions to the master plan.

(d) The board shall submit the annual budget to the commissioners court for approval and shall file a copy with the county clerk.
Sec. 3873.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 3873.202. GENERAL OBLIGATION AND REVENUE BONDS. For the payment of all or part of the costs of a park improvement project or park services, the board may issue bonds in one or more series payable from and secured by ad valorem taxes, revenues, grants, gifts, contracts, leases, or any combination of those funds. Bonds may be liens on all or part of the revenue derived from park improvements or services authorized under this chapter.

Sec. 3873.203. TERMS AND CONDITIONS OF BONDS. (a) Bonds may be issued to mature serially or otherwise not more than 40 years from their date of issue.

(b) If provided by the bond order or resolution, the proceeds from the sale of bonds may be used to pay interest on the bonds during and after the period of the acquisition or construction of any park improvement project to be provided through the issuance of the bonds, to administrative and operation expenses to create a reserve fund for the payment of the principal of and interest on the bonds, and to create any other funds.
Sec. 3873.204. PLEDGES. (a) The board may pledge all or part of the income from park improvement projects financed under this chapter or from any other source to the payment of the bonds, including the payment of principal, interest, and any other amounts required or permitted in connection with the bonds. The pledged income shall be set and collected in amounts that will be at least sufficient, with any other pledged resources, to provide for all payments of principal, interest, and any other amounts required in connection with the bonds and, to the extent required by the order or resolution authorizing the issuance of the bonds, to provide for the payment of expenses in connection with the bonds and to pay operation, maintenance, and other expenses in connection with the improvement projects authorized under this chapter.

(b) Bonds may be additionally secured by a mortgage or deed of trust on real property relating to the facilities authorized under this chapter owned or to be acquired by the district and by chattel mortgages, liens, or security interests on personal property appurtenant to that real property. The board may authorize the execution of trust indentures, mortgages, deeds of trust, or other forms of encumbrance to evidence the indebtedness.

(c) The board may pledge to the payment of the bonds all or any part of any grant, donation, revenue, or income received or to be received from the United States government or any other public or private source.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.205. MUNICIPAL APPROVAL. (a) A district must obtain the approval of the governing body of the city before issuing bonds for a park improvement project and for the plans and specifications of a park improvement project financed by the bond issuance.

(b) Instead of approval of bonds by the city, the district before finally approving a capital improvements budget may obtain approval from the governing body of the city of a capital improvements budget for a period not to exceed five years. If a district obtains approval of a capital improvements budget, it may finance the capital improvements and issue bonds specified in the budget without further approval from the city.
The district must obtain approval from the city of the plans and specifications of any park improvement project that involves the use of the rights-of-way of streets, roads, or highways or the use of city land or any easements granted by the city.

(d) The city is not obligated to pay any bonds, notes, or other obligations of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

Sec. 3873.206. AD VALOREM TAX; ELECTION. (a) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes an ad valorem tax.

(b) If authorized at an election under Subsection (a) and subject to Subsection (c), the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district;
(2) construct or acquire park improvements; or
(3) provide a park service.

(c) The board shall determine the tax rate. The tax rate may not exceed 35 cents per $100 valuation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. DISSOLUTION

Sec. 3873.251. DISSOLUTION. (a) The commissioners court by order may dissolve the district. The order may be adopted:

(1) on the commissioners court's own motion; or
(2) after the filing of a written petition signed by a number of the registered voters who reside in the district equal to at least 10 percent of the votes received in the district in the most recent gubernatorial general election.

(b) The commissioners court shall give notice of a hearing on the petition and hold a hearing in the manner prescribed by Sections 3873.052 and 3873.053 for a petition for confirming the creation of the district.

(c) The commissioners court shall grant the petition and order
the dissolution of the district if the court finds that the petition meets the requirements of this section and that the dissolution is in the best interest of the county.

(d) On dissolution of the district, the property and other assets, the debts and other liabilities, and the obligations of the district that are not related to city property become those of the county. The property and other assets, the debts and other liabilities, and the obligations of the district that are related to city property become those of the city.

Added by Acts 2009, 81st Leg., R.S., Ch. 1202 (H.B. 4789), Sec. 1, eff. June 19, 2009.

CHAPTER 3874. CYPRESS WATERS MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3874.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Dallas.
(3) "District" means the Cypress Waters Municipal Management District.
(4) "Improvement project" means a project authorized by Section 3874.102:
    (A) inside the boundaries of the district; and
    (B) in areas outside but adjacent to the boundaries of the district if the project is for the purpose of extending public infrastructure improvements beyond the district's boundaries to a logical terminus.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.
Sec. 3874.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) developing or expanding transportation and commerce;
and
(4) providing quality residential housing.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the
district territory as a residential community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Section 3874.106; or

(2) other law.

(b) A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect:

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

(2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;

(3) the district's right to impose or collect an assessment, tax, or any other revenue; or

(4) the legality or operation of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be
included in:
(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code; or
(3) an enterprise zone created by the city under Chapter 2303, Government Code.
(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project. A project may not receive public funds under Section 380.002(b), Local Government Code, unless the project has been approved by the governing body of the city by the adoption of a resolution.
(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(b), Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 3874.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of nine directors composed of:
(1) six directors appointed by the governing body of the city;
(2) one assistant city manager of the city, appointed by the city manager;
(3) the chief financial officer of the city; and
(4) the economic director of the city.
(b) Directors serve staggered terms of four years, with four or five directors' terms expiring July 1 of each odd-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.
Sec. 3874.052. APPOINTMENT OF DIRECTORS: BOARD MEETINGS. (a) Directors appointed by the governing body of the city must meet at least one of the qualifications prescribed by Section 3874.053.

(b) A person may not be appointed to the board by the governing body of the city if the appointment of that person would result in fewer than three of the directors being residents of the city and meeting the qualifications prescribed by Section 3874.053(a)(2), (3), (4), (5), or (6).

(c) The governing body of the city may remove a member of the board with or without cause at any time by a majority vote.

(d) The board shall hold meetings at a place accessible to the public. The board shall file a copy of the notice of a meeting with the city's secretary. The city's secretary shall post the notice at Dallas City Hall.

(e) The board may not create an executive committee to exercise the powers of the board.

(f) If an office described in Section 3874.051(a) is renamed, changed, or abolished, the governing body of the city may appoint another city officer or employee who performs duties comparable to those performed by the officer described by that subsection.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.053. QUALIFICATIONS OF DIRECTORS APPOINTED BY CITY. (a) To be qualified to serve as a director appointed by the governing body of the city, a person must be at least 18 years old and must be:

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

(2) an owner of property in the district;

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

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

(5) an agent, employee, or tenant of a person covered by
Subdivision (2), (3), or (4); or
(6) an initial director.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.054. VACANCY. The governing body of the city shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3874.051(a) or 3874.053 to serve for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.055. DIRECTOR'S OATH OR AFFIRMATION. A director's oath or affirmation of office shall be filed with the district and the district shall retain the oath or affirmation in the district records. A copy of each director's oath or affirmation of office shall be filed with the city's secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person concurrently.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.057. COMPENSATION; EXPENSES; LIABILITY INSURANCE FOR DIRECTORS. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation for each director in one year may not exceed $2,000.

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

(c) The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from any and all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;
(2) actions and activities taken by the district; or
(3) the actions of others acting on behalf of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.058. CONFLICTS OF INTEREST. (a) A director, including a director who qualifies under Section 3874.053(a)(2), (3), (4), or (5), may participate in all board votes and decisions if the director complies with the requirements of Subsection (b).

(b) A director shall comply with Section 171.004, Local Government Code, including the disclosure and abstention requirements of that section. A director must file a copy of the director's disclosure affidavit required by Section 171.004, Local Government Code, with the city's secretary before participating in a board discussion or vote.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3874.101. GENERAL POWERS AND DUTIES. The district has the powers and duties provided by this chapter and by:

(1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code, except that the district's bonds and other securities are not subject to the jurisdiction or supervision of the Texas Commission on Environmental Quality under Chapter 49, Water Code, or other law;
(2) the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code, except that
the district may exercise any power granted by this chapter without regard to any provision or requirement of or procedure prescribed by Chapter 441, Transportation Code;

(3) Subchapter A, Chapter 372, Local Government Code, in the same manner as a municipality or a county;

(4) Chapter 1371, Government Code;

(5) Chapter 375, Local Government Code; and

(6) Chapter 311, Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects located in the district or activities in support of or incidental to those projects:

(1) a supply and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater collection facility;

(2) a paved, macadamized, or graveled road, street, or turnpike, inside and outside the district, to the full extent authorized by Section 52, Article III, Texas Constitution;

(3) the planning, design, construction, improvement, and maintenance of:

(A) landscaping;

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

(C) lighting, banners, and signs;

(D) a street or sidewalk;

(E) a hiking and cycling path or trail;

(F) a pedestrian walkway, skywalk, crosswalk, or tunnel;

(G) a park, lake, garden, recreational facility, community activities center, dock, wharf, sports facility, open space, scenic area, or related exhibit or preserve;

(H) a fountain, plaza, or pedestrian mall; or

(I) a drainage or storm-water detention improvement;

(4) protection and improvement of the quality of storm

Sec. 3874.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects located in the district or activities in support of or incidental to those projects:

(1) a supply and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater collection facility;

(2) a paved, macadamized, or graveled road, street, or turnpike, inside and outside the district, to the full extent authorized by Section 52, Article III, Texas Constitution;

(3) the planning, design, construction, improvement, and maintenance of:

(A) landscaping;

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

(C) lighting, banners, and signs;

(D) a street or sidewalk;

(E) a hiking and cycling path or trail;

(F) a pedestrian walkway, skywalk, crosswalk, or tunnel;

(G) a park, lake, garden, recreational facility, community activities center, dock, wharf, sports facility, open space, scenic area, or related exhibit or preserve;

(H) a fountain, plaza, or pedestrian mall; or

(I) a drainage or storm-water detention improvement;

(4) protection and improvement of the quality of storm
water that flows through the district;

(5) the planning, design, construction, improvement, maintenance, and operation of:
   (A) a water or sewer facility; or
   (B) an off-street parking facility or heliport;

(6) the planning and acquisition of:
   (A) public art and sculpture and related exhibits and facilities; or
   (B) an educational facility, and a cultural exhibit or facility;

(7) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
   (A) a conference, convention, or exhibition;
   (B) a manufacturer, consumer, or trade show;
   (C) a civic, community, or institutional event; or
   (D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;

(8) the removal, razing, demolition, or clearing of land or improvements in connection with improvement projects;

(9) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project if those costs are incurred in accordance with a development agreement and reimbursement of those costs is conditioned on the completion of substantial vertical development, or the costs are related to a transit or mobility project;

(10) the acquisition of property or an interest in property in connection with one or more authorized improvement projects, including a project authorized by Subchapter A, Chapter 372, Local Government Code;

(11) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:
   (A) advertising;
   (B) promotion;
   (C) tourism;
   (D) health and sanitation;
   (E) public safety;
   (F) security;
(G) fire protection or emergency medical services;
(H) business recruitment;
(I) elimination of traffic congestion, including by use of rail services; and
(J) recreational, educational, or cultural improvements, enhancements, and services; or
(12) any similar public improvement, facility, or service.

(b) The district may not undertake an improvement project under this section unless the board determines the project to be necessary to accomplish a public purpose of the district and has received the approval of the city under Section 3874.160.

(c) An improvement project must comply with any applicable codes and ordinances of the city.

(d) The district may not provide, conduct, or authorize an improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

(e) Subject to an agreement between the district and the city, the city may:

(1) by ordinance, order, or resolution require that title to all or any portion of an improvement project vest in the city; or
(2) unless prohibited by Subsection (h), by ordinance, order, resolution, or other directive, authorize the district to own, encumber, maintain, and operate an improvement project, subject to the right of the city to order a conveyance of the improvement project to the city on a date determined by the city.

(f) The district shall immediately comply with any city ordinance, order, or resolution adopted under Subsection (e).

(g) For the purposes of this section, planning, design, construction, improvement, and maintenance of a lake includes work done for drainage, reclamation, or recreation.

(h) Waterworks and sanitary sewer improvements may be undertaken by the district inside or outside the boundaries of the district, subject to the following conditions:

(1) the city shall request that waterworks or sanitary sewer improvements be funded by the district;
(2) the city shall construct, own, operate, and maintain the improvements; and
(3) the district shall comply with Sections 3874.152, 3874.157, and 3874.160 as a condition for the district to fund the improvements.
Sec. 3874.103. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) contract with any person to accomplish any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of any improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including a negotiable or nonnegotiable note or warrant payable to the city, Dallas County, or any other person.

(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.104. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district;

(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities;
or

(3) to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

(c) To the extent a district rule conflicts with a city rule, order, or regulation, the city rule, order, or regulation controls.

(d) The district shall provide the city with written notice not later than the 30th day before the date of a meeting at which the board will adopt rules. The district may not adopt a rule affecting the use of a municipally owned asset, such as a public park, street, sidewalk, transit facility, or public right-of-way, unless the governing body of the city has approved the rule by ordinance, order, or resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.105. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to the city.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.106. ADDING OR REMOVING TERRITORY. The board may add or remove territory under Subchapter J, Chapter 49, Water Code, and Section 54.016, Water Code, except that:

(1) the addition or removal of the territory must be approved by:

(A) the governing body of the city by ordinance, order, or resolution; and

(B) the owners of the territory being added or removed;

(2) a reference to a tax in Subchapter J, Chapter 49, Water Code, or Section 54.016, Water Code, means an ad valorem tax; and

(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes or assessments levied or assessed on the territory are outstanding.
Sec. 3874.107. ECONOMIC DEVELOPMENT.  (a) The district may create economic development and other programs under Section 52-a, Article III, Texas Constitution, and may impose and collect ad valorem taxes for those purposes. The district has the economic development powers that Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000. Each economic development program and each project that will receive public funds under an economic development program must be approved by the governing body of the city by ordinance, order, or resolution.

(b) The district shall provide the city written notice not later than the 30th day before the date of a meeting at which the board will adopt terms of an economic development program. The district may not adopt an economic development program or improvement project to be funded under an economic development program unless the governing body of the city has approved the program or improvement project by ordinance, order, or resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.108. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.109. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary. An employee may not receive annual compensation of more than $150,000 from public funds of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.
Sec. 3874.110. NOTICE TO PROPERTY OWNERS. (a) The board shall annually provide owners of real property in the district written notice that specifies the tax of the district for the district's next fiscal year in sufficient clarity to describe the tax rate for the operation and maintenance of the district and the tax rate for the payment of debt service of obligations issued or incurred by the district. The written notice must be sent by first class United States mail, postage prepaid, to the current address of the property owner as reflected on the tax rolls of the appraisal district.

(b) The notice must clearly state that the tax rates on real property imposed in the district are in addition to the ad valorem taxes imposed by other taxing units that tax real property in the boundaries of the district.

(c) The district shall generate and implement a program to provide notification to a prospective purchaser of property in the district of the rates of tax and assessments that have been approved and are imposed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3874.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. (a) Except as provided by Section 3874.160, the district may:

(1) impose an ad valorem tax on all taxable property in the district to pay for any improvement projects of the types authorized by Section 52(b), Article III, and Section 59, Article XVI, Texas Constitution, and to secure the payment of bonds issued for those purposes;

(2) impose an assessment on property in the district to pay the cost of any authorized improvement project and the cost of the maintenance of the project in the manner provided for:

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

(B) a municipality or county under Subchapter A, Chapter 372, Local Government Code;

(3) provide or secure the payment or repayment of any bond,
note, or other temporary or permanent obligation or reimbursement or other contract with any person, the costs and expenses of the establishment, administration, and operation of the district, and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by or through:

(A) the imposition of an ad valorem tax, assessment, user fee, concession fee, or rental charge; and
(B) any other revenue or resources of the district, or other revenue authorized by the city, including revenue from a tax increment reinvestment zone created by the city under applicable law;

(4) establish user charges related to the operation of storm-water facilities, including the regulation of storm water for the protection of water quality in the district;

(5) establish user charges for the use of nonpotable water for irrigation purposes, subject to the approval of the governing body of the city;

(6) undertake separately or jointly with other persons, including the city or Dallas County, all or part of the cost of any improvement project, including an improvement project:

(A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or
(B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(7) enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities.

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

(A) more than 65 percent of the record owners of real property in the district subject to taxation; or
(B) owners representing more than 65 percent of the appraised value of real property in the district subject to taxation,
Sec. 3874.152. BORROWING MONEY. (a) The district may borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for any district purpose. The bond, note, credit agreement, or other obligation may be secured by and payable from ad valorem taxes, assessments, a combination of ad valorem taxes and assessments, or other district revenue. The governing body of the city must approve the issuance of bonds, notes, credit agreements, or other obligations of the district, in general terms before the preparation of preliminary official statements or loan closing documents, as provided by the development and operating agreement approved by the city in accordance with Section 3874.160, or by separate action.

(b) The governing body of the city must approve the final terms of the bond issuance, note, or credit facility, including the principal amount, note amount, interest rate or rates, redemption provisions, and other terms and conditions relating to the issuance.

(c) The district shall file annual audited financial statements with the city's secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.153. ASSESSMENTS; EXEMPTION. (a) The district may impose an assessment on property in the district, including an assessment on residential or commercial property, only in the manner provided by Subchapter A, Chapter 372, Local Government Code, or Subchapter F, Chapter 375, Local Government Code, for a municipality, county, or public improvement district, according to the benefit received by the property.

(b) An assessment on property must be for the limited purpose of providing capital funding for:

(1) public water and wastewater facilities;

(2) drainage and storm-water facilities;

as determined by the tax rolls of the appraisal district.
(3) streets and alleys; and
(4) any authorized project under Chapter 372, Local Government Code.

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

(1) are a first and prior lien against the property assessed; and
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(d) A lien of an assessment against property under this chapter runs with the land, and the portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien. Any purchaser of property in a foreclosure of an ad valorem tax lien takes the property subject to the assessment payment obligations that have not yet come due and to the lien and terms of payment under the applicable assessment ordinance or order.

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

(f) The district shall file notice of any tax or assessment imposed by the district with the county clerk of Dallas County and post the notice on the district's Internet website.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.154. RESIDENTIAL PROPERTY EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.155. MAINTENANCE AND OPERATION TAX; ELECTION. (a)
The district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses, including expenses of the city payable under the terms of the project development agreement described by Section 3874.160.

(b) The district may not impose a maintenance and operation tax for improvement projects under this chapter unless the imposition of the tax is approved by the voters of the district voting at an election held for that purpose. An election may be called only on receipt of a petition as provided by Section 3874.151(b).

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.156. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.157. BONDS AND OTHER OBLIGATIONS. (a) Subject to the requirements of Sections 3874.159 and 3874.160, the district may issue by public or private sale bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, or by assessments in the manner provided by Subchapter A, Chapter 372, Local Government Code, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note,
certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or any other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, Local Government Code, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from system or improvement project revenue or from any other source.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.158. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.160. DEVELOPMENT AND OPERATING AGREEMENT REQUIRED.

(a) After the district's board is organized, but before the district
may undertake any improvement project, issue bonds, impose taxes, levy assessments or fees, or borrow money, the district and the city must negotiate and execute a mutually approved and accepted development and operating agreement, including any limitations imposed by the city, regarding the plans and rules for:

(1) the exercise of the powers granted to the district under this chapter, including the organization, development, and operation of the district;

(2) the selection and description of improvement projects that may be undertaken and financed by the district and the ownership, operation, and maintenance of those projects;

(3) the terms, conditions, methods, means, and amounts of financing authorized by this chapter that the district may use in providing improvement projects; and

(4) the amounts, methods, and times of reimbursement to the city for costs and expenses, if any, incurred by the city with respect to the development and operation of the district and the financing of improvement projects by the district.

(b) An agreement authorized by this section is not effective until its terms and execution are approved by the board and the governing body of the city by resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. DISSOLUTION

Sec. 3874.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

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

(c) The city may not dissolve the district until the agreement under Section 3874.160 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff.

Sec. 3874.252.  COLLECTION OF ASSESSMENTS AND OTHER REVENUE.  
(a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.  
(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:  
(1) the bonds or other obligations when due and payable according to their terms; or  
(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.  

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.253.  CONCURRENCE ON ADDITIONAL POWERS.  If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city consents to that change by resolution.  

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff. June 19, 2009.

Sec. 3874.254.  ASSUMPTION OF ASSETS AND LIABILITIES.  (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.  
(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.  

Added by Acts 2009, 81st Leg., R.S., Ch. 586 (S.B. 2466), Sec. 1, eff.
CHAPTER 3875. SMITH COUNTY ECONOMIC DEVELOPMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3875.001. CREATION OF DISTRICT; LEGISLATIVE DECLARATION.
(a) Notwithstanding any law relating to consent by political subdivisions to the creation of conservation and reclamation districts and the inclusion of land in those districts, the Smith County Economic Development District is created as a special district under Section 59, Article XVI, Texas Constitution.

(b) The district is a unit of government for purposes of Chapter 101, Civil Practice and Remedies Code (Texas Tort Claims Act), and operations of the district are considered to be essential governmental functions and not proprietary functions for all purposes, including the application of the Texas Tort Claims Act.

(c) The board by resolution may change the district's name.

(d) The creation of the district is essential to the accomplishment of the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and to the accomplishment of the public purposes stated in this chapter.

(e) The district is necessary to promote, develop, encourage, and maintain employment, commerce, economic development, and public welfare in the Smith County Economic Development District. The creation of the district and this chapter are not to be interpreted to relieve Smith County or any other political subdivision from providing the level of services as of the effective date of this chapter, to the area included in the district or to release the county or political subdivision from its obligations to provide services to that area. The district is created to supplement and not supplant such services in the area included within the district.

(f) Except as otherwise provided by this chapter, the district is not subject to the jurisdiction or supervision of the commission under Chapter 49, Water Code, or other law.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.
Sec. 3875.002. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Commission" means the Texas Natural Resource Conservation Commission.
(3) "District" means the Smith County Economic Development District.
(4) "Improvement project" means any program or project authorized by this chapter, inside or outside the district, that is necessary to accomplish the public purposes of the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.003. BOUNDARIES. The district includes all of the territory contained within the tracts of land described as follows:

Tract I
72.149 acres

All that certain tract or parcel of land situated in the A. J. Lagrone Survey, Abstract 571, the David Barclay Survey, Abstract 91, and the Isaac Read Survey, Abstract 813, Smith County, Texas, being out of and a part of the remainder of that certain 40.05 acre First Tract and 44.88 acre Second Tract described in a Warranty Deed from Ann Clyde (Clinkscales) McCombs to Betty Ruth Yancy et vir Bobby Joe Yancy, dated May 27, 1992, and recorded in Volume 3238, Page 330 of the Land Records of Smith County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod found for the southwest corner of the herein described tract, same being the point of intersection of the west line of said 44.88 acre tract with the north right-of-way line of Interstate Highway 20; a concrete monument found for reference bears South 80°26'29" East, 40.46 feet;

THENCE, North 05°38'10" East, with the west line of said 44.88 acre tract, same being the east line of that certain 25.555 acre Tract One described in a Warranty Deed in Cancellation of Debt from
Featherston, Inc. to Black Stone Paving, Inc. and recorded in Volume 3684, Page 800 of said Land Records, and generally with a barbed wire fence, a distance of 1375.02 feet to a 1/2" iron rod set for the northeast corner of said 25.555 acre tract, same being the northeast corner of that certain tract described in a Special Warranty Deed to Elbert Carroll Hooper et ux Rose Marie Hooper, of record in Volume 1336, Page 174 of the Deed Records of Smith County, same being in the south right-of-way line of U.S. Highway 271;

THENCE, North 68°19'10" East with said south right-of-way line of U.S. Highway 271, a distance of 54.37 feet to a concrete right-of-way monument found for an angle point in same;

THENCE, North 68°23'11" East, continuing with said south right-of-way line of U.S. Highway 271, a distance of 800.26 feet to a concrete right-of-way monument found for an angle point in same;

THENCE, North 65°30'49" East, continuing with said south right-of-way line of U.S. Highway 271, a distance of 200.18 feet to a concrete right-of-way monument found for an angle point in same;

THENCE, North 68°21'49" East, continuing with said south right-of-way line of U.S. Highway 271, a distance of 956.63 feet to a 1/2" iron pipe found for the northern northeast corner of the herein described tract, same being the point of intersection of the northern northeast line of said 40.05 acre tract with said south right-of-way line; a concrete right-of-way monument found for reference bears North 68°21'49" East, 142.48 feet;

THENCE, South 19°55'00" East, a distance of 217.20 feet to a 1/2" iron rod set for the northern interior corner of said 40.05 acre tract;

THENCE North 84°34'00" East, a distance of 117.56 feet to a 2" iron rod found for the southern northeast corner of the herein described tract, same being the point of intersection of the southern northeast line of said 40.05 acre tract with the west right-of-way line of FM Highway 757;

THENCE, South 20°11'34" West, with said west right-of-way line of FM Highway 757, a distance of 608.33 feet to a 1/2" iron rod set for the point of curvature and the beginning of a curve to the left having a radius of 2,904.79 feet;

THENCE, continuing with said West right-of-way line of FM Highway 757, and along said curve to the left having a radius of 2,904.79 feet, a central angle of 05°49'43", and a chord bearing and distance of South 17°164'3" West, 295.38 feet, an arc length of
259.50 feet to a 1/2" iron rod set for the end of said curve and the point of tangency;

THENCE, South 14°21'51" West, continuing with said west right-of-way line of FM Highway 757 a distance of 549.28 feet to a 1/2" iron rod set a corner in the north right-of-way line of said Interstate Highway 20;

THENCE, North 75°52'30" West, with said north right-of-way line of Interstate Highway 20 a distance of 10.00 feet to a concrete right-of-way monument found for a corner of same;

THENCE, South 14°31'05" West, continuing with said north right-of-way line of Interstate Highway 20, a distance of 457.36 feet to a concrete right-of-way monument found for a corner of same;

THENCE, North 75°07'02" West, continuing with said north right-of-way line of Interstate Highway 20, a distance of 202.01 feet to a concrete right-of-way monument found for a corner of same;

THENCE, South 87°33'33" West, continuing with said north right-of-way line of Interstate Highway 20, a distance of 369.53 feet to a concrete right-of-way monument found for a corner of same;

THENCE, North 80°26'29" West, continuing with said north right-of-way line of Interstate Highway 20, at 576.73 feet pass said concrete right-of-way monument found for reference, and continuing in all a total distance of 617.19 feet to the POINT OF BEGINNING and containing 72.149 acres of land.

Tract II
19.806 acres

All that certain tract or parcel of land situated in the Asa Wright Survey, Abstract 1037, the David Barclay Survey, Abstract 91, and the Isaac Read Survey, Abstract 813, Smith County, Texas, being out of and a part of the remainder of that certain 25.555 acre Tract One described in a Warranty Deed in Cancellation of Debt from Featherston, Inc. to Black Stone Paving, Inc., dated June 1, 1995, and recorded in Volume 3684, Page 800 of the Land Records of Smith County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod found for the southeast corner of said 25.555 acre tract, same being in the north right-of-way line of Interstate Highway 20; a concrete monument found for reference bears
South 80°26'29" East, 40.46 feet;

THENCE, North 66°15'00" West, with the south line of said 25.555 acre tract, same being said north right-of-way line of Interstate Highway 20 (and the bearing basis of this survey as related to the record bearing), a distance of 1,223.37 feet to a 1/2" iron rod found for the southeast corner of that certain 3.000 acre tract described in a deed to Exstar Development Inc., of record in Volume 3989, Page 568 of the Official Public Records of Smith County, Texas, same being the southwest corner of the herein described tract;

THENCE, North 28°35'30" East, with the southeast line of said 3000 acre tract, a distance of 395.10 feet to a 1/2" iron rod found for a corner of same;

THENCE, North 21°30'45" West, a distance of 100.03 feet to a 1/2" iron rod found for the northwest corner of the herein described tract, same being in the north line of said 25.555 acre tract, same being in the south right-of-way line of U.S. Highway 271;

THENCE, N 68°28'07" East, with the north line of said 25.555 acre tract, same being said south right-of-way line of U.S. Highway 271, a distance of 924.26 feet to a 1/2" iron rod found for the northwest corner of that certain tract described in a Special Warranty Deed to Elbert Carroll Hooper et ux Rose Marie Hooper, of record in volume 1336, Page 174 of the Deed Records of Smith County, Texas, same being the northern Northeast corner of the herein described tract;

THENCE South 05°27'10" West, a distance of 504.24 feet to a 1/2" iron rod set for the southwest corner of said Hooper tract;

THENCE, South 84°21'50" East, a distance of 230.40 feet to a 1/2" iron rod set for the southeast corner of said Hooper tract, same being the southern northeast corner of the hererin described tract; same being in the east line of said 25.555 acre tract;

THENCE, South 05°38'10" West, with the east line of said 25.555 acre tract, a distance of 750.95 feet to the POINT OF BEGINNING and containing 19. 806 acres of land.

Tract III
3.000 acres

All that certain tract or parcel of land situated in the Asa Wright Survey, Abstract 1037, and the Isaac D. Read Survey, Abstract 813, Smith County, Texas, being all of that certain called 2.500 acre Tract One described in a Warranty Deed from Black Stone Paving, Inc., to John Pollard, Jr., dated June 1, 1995, and recorded in Volume
3684, Page 809 of the Land Records of Smith County, Texas, and being out of and a part of the remainder of that certain 25.555 acre Tract One described in a Warranty deed in Cancellation of Debt from Featherston, Inc. to Black Stone Paving, Inc., dated June 1, 1995, and recorded in Volume 3684, Page 800 of the Land Records of Smith County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a concrete monument found for the southwest corner of said 2.500 acre tract, same being the point of intersection of the north right-of-way line of Interstate Highway 20 with the southeast right-of-way line of U.S. Highway 271;

THENCE, North 53°35'37" East, with said southeast right-of-way line of U.S. Highway 271, a distance of 163.34 feet to a 1/2" iron rod set for a corner of said 2.500 acre tract;

THENCE, North 72°39'34" East, continuing with said southeast right-of-way line of U.S. Highway 271, a distance of 200.50 feet to a 1/2" iron rod found for a corner of said 2.500 acre tract;

THENCE, North 68°28'53" East, continuing with said southeast right-of-way line of U.S. Highway 271, a distance of 268.34 feet to a 1/2" iron rod set for the northwest corner of said 2.500 acre tract;

THENCE, South 21°30'45" East, a distance of 100.03 feet to a 1/2" iron rod found for the northeast corner of said 2.500 acre tract;

THENCE 28°35'30" West, a distance of 395.10 feet to a 1/2" iron rod found for the southeast corner of the herein described tract, same being in the south line of said 25.555 acre tract, same being in said north right-of-way line of Interstate Highway 20;

THENCE 66°15'00" West, with the South line of said 25.555 acre tract, same being said North right-of-way line of Interstate Highway 20 (and the bearing basis of this survey as related to the record bearing), at 109.61 feet pass a 1/2" iron rod found for the southeast corner of said 2.500 acre tract, and continuing in all a total distance of 458.96 feet to the POINT OF BEGINNING and containing 3.000 acres of land.

Tract IV
1.044 acres

All that certain tract or parcel of land situated in the A. J. Lagrone Survey, Abstract 571, Smith County, Texas, being out of and a part of that certain called 1.220 acre tract described in a Warranty Deed with Vendor's Lien from J. G. Andrews to Herman L. Stevenson et
ux Dorothy Stevenson, dated December 10, 1968, recorded in Volume 1286, Page 357 of the Deed Records of Smith County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron pipe found for the northwest corner of said 1.220 acre tract, same being in the south right-of-way line of U.S. Highway 271;

THENCE, North 68°21'49" east, with said south right-of-way line of U.S. Highway 271, a distance of 142.48 feet to a concrete right-of-way monument found for an angle point in same, same being a north corner of said 1.220 acre tract;

THENCE, South 76°09'34" East, continuing with said south right-of-way line of U.S. Highway 271, a distance of 136.59 feet to a concrete right-of-way monument found for a corner in the northeast line of said 1.220 acre tract, same being in the west right-of-way line of F.M. 757;

THENCE, South 19°10'20" West, with said west right-of-way line of F.M. 757, a distance of 225.44 feet to a 2" iron rod found for the southeast corner of the herein described tract, same being in the southern northeast line of that certain 40.05 acre First Tract described in a Warranty Deed from Ann Clyde (Clinkscales) McCombs to Betty Ruth Yancy et vir Bobby Joe Yancy, dated May 27, 1992, and recorded in Volume 3238, Page 330 of the Land Records of Smith County, Texas;

THENCE, South 84°34'00" West, with said southern northeast line of said 40.05 acre tract, a distance of 117.56 feet to a 1/2" iron rod set for the northern interior corner of same;

THENCE, North 19°55'00" West, with the northern northeast line of said 40.05 acre tract, a distance of 217.20 feet to the POINT OF BEGINNING and containing 1.044 acres of land.

Tract V
10.394 acres

All of that certain parcel or tract of land located in the David Barclay Survey, Abstract No. 91 and the Aston Shafner Survey, Abstract No. 868, Smith County, Texas, and being part of that certain 26.9 acre tract conveyed to James T. Kyles by Gerald W. Kyles on October 13, 1964, and recorded in Volume 1133, Page 19 of the Deed Records of Smith County, Texas, and being more completely described as follows, to-wit:

BEGINNING at a 1/2" iron rod for corner, being at the intersection of the East line of the above mentioned 26.9 acre tract
and the North right-of-way line of Interstate Highway 20;

THENCE in a Northwesterly direction, with the North right-of-way line of the said Interstate Highway 20, as follows: North 87°29' West 93.87 feet to a right-of-way monument; North 64°11' West 380.79 feet to a right-of-way monument; North 40°30' West 368.61 feet to a right-of-way monument; and North 73°44' West at 57.49 feet to a right-of-way monument;

THENCE North 14°39' East, a distance of 375.74 feet to a 1/2" iron rod for corner, being at the intersection of the East right-of-way line of FM Highway 757 and the South right-of-way line of FM Highway No. 1252;

THENCE in an Easterly Direction, with the South right-of-way line of FM Highway No. 1252 as follows: South 75°44' East 50.51 feet; South 81°18' East 138.22 feet; South 88°34' East 120.49 feet; North 84°12' East 118.61 feet; North 76°26' East 121.38 feet; and North 71°37' East 107.38 feet to a 1" iron rod for corner, being in the East line of the above mentioned 26.9 acre tract;

THENCE South 00°31' West, with the East line of the 26.9 acre tract, a distance of 867.87 feet to the place of beginning, containing 10.394 acres of land.

Tract VI
3.226 acres

All of that certain parcel or tract of land located in the David Barclay Survey, Abstract No. 91 and the Aston Shafner Survey, Abstract No. 868, Smith County, Texas, and being part of that certain 26.9 acre tract conveyed to James T. Kyles by Gerald W. Kyles on October 13, 1964, and recorded in Volume 1133, Page 19 of the Deed Records of Smith County, Texas, and being more completely described as follows, to-wit:

BEGINNING at a 1/2" iron rod for corner, being at the intersection of the East line of the above mentioned 26.9 acre tract and the South right-of-way line of Interstate Highway 20;

THENCE South 00°31' West, with the East line of the 26.9 acre tract, a distance of 358.82 feet to a strap iron for corner, being the southeastern corner of the 26.9 acre tract;

THENCE North 89°30' West, with the South line of the 26.9 acre tract, a distance of 314.60 feet to a 1/2" iron rod for corner, being in the center of a creek, also being the Southerly Southwest corner of the 26.9 acre tract;

THENCE North 30°37' West, with the center of said creek, a
distance of 252.78 feet to a point for corner in the center of said creek;
    THENCE North 45°51' West, a distance of 52.88 feet to a 1/2" iron rod for corner; said corner being in the South right-of-way line of Interstate Highway 20;
    THENCE North 63°42' East, with the South line of said Interstate Highway 20, a distance of 254.85 feet to a right of way monument;
    THENCE South 87°29' East, continuing with the South right-of-way line of said Interstate Highway 20, a distance of 256.27 feet to the place of beginning, containing 3.226 acres of land.

Tract VII
2.996 acres

All that certain tract or parcel of land situated in the Isaac D. Read Survey, Abstract 813, and the David Barclay Survey, Abstract 91, Smith County, Texas, being all of that certain tract described in a Special Warranty Deed to Elbert Carroll Hooper et ux Rose Marie Hooper, of record in Volume 1336, Page 174 of the Deed Records of Smith County, Texas, and being more particularly described by metes and bounds as follows:
    BEGINNING at a 1/2" iron rod found for the northwest corner of said Hooper tract, same being in the South right-of-way line of U.S. Highway 271;
    THENCE, North 68°19'10" East, with said South right-of-way line of U.S. Highway 271, a distance of 261.13 feet to a 1/2" iron rod set for the northeast corner of said Hooper tract;
    THENCE, South 05°38'10" West, a distance of 624.07 feet to a 1/2" iron rod set for the southeast corner of said Hooper tract;
    THENCE, North 84°21'50" West, a distance of 230.40 feet to a 1/2" iron rod set for the southwest corner of said Hooper tract;
    THENCE, North 05°27'10" East, with the West line of said Hooper tract, a distance of 504.24 feet to the POINT OF BEGINNING and containing 2.996 acres of land.

Tract VIII
16.130 acres

All that certain tract or parcel of land, being 16.130 acres situated in the Acton Shofner Survey, Abstract No. 868, Smith County, Texas, being part of that certain called 26.93 acre tract described in a Quitclaim Deed from James O. Kay to Buryl C. Kay, dated July 24, 1996, recorded in Volume 3840, Page 474 of the Land Records of Smith County, Texas, said 16.130 acres being more completely described as
follows, to-wit:

Bearings are based on the monumented East line of tracts one and two described in a deed to Jay T. Gordon et al, recorded in Volume 4723, Page 277.

BEGINNING at the Northwest corner of the above mentioned Buryl C. Kay tract, being near the center of the paved surface of FM Highway 1252 (also known as the Tyler-Thunderstruck Road), a 1" iron rod (found for a reference) bears South 00°31'00" West, 42.06 feet, said 1" iron rod being the Northeast corner of the Jay T. Gordon et al Tract One (called 10.394 acres) recorded in Volume 4723, Page 277;

THENCE North 71°11'57" East, generally along the center of the paved surface of said FM Highway 1252 and with the North line of said Kay tract, a distance of 720.51 feet to the Northeast corner of same, a Sucker rod (found for reference) bears South 00°55'54" West, 42.74 feet, said Sucker rod being the Northwest corner of the CBLS Family Trust called 1.952 acre tract recorded in Volume 3985, Page 161;

THENCE South 00°55'54" West, with the East line of said Kay tract, with the West line of said CBLS Family Trust Tract, with the West Line of the Randall L. McIntyre, et ux, called 16.1013 acre tract recorded in Volume 3500, Page 531 and with the West line of the American Fidelity Savings Association called 0.786 of an acre recorded in Volume 2893, Page 433, a total distance of 1171.51 feet to a 1" iron pipe (found) for the Southwest corner of said 0.786 of an acre tract, being in the North line of Interstate Highway 20;

THENCE North 87°28'34" West with the North line of said Interstate Highway 20, a distance of 671.86 feet to a 1/2" iron rod (found) in the West line of the above mentioned Buryl C. Kay tract, being the Southeast corner of the above mentioned Jay T. Gordon et al Tract One;

THENCE North 00°31'00" East, with the West line of the Kay tract, same being the East line of said Jay T. Gordon, et al, tract, a distance of 909.60 feet to THE PLACE OF BEGINNING, containing 16.130 acres of land, of which, 0.88 of an acre is within the right-of-way of the above mentioned FM Highway 1252.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.
Sec. 3875.004. FINDINGS RELATED TO BOUNDARIES. The legislature finds that the boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the organization, existence, or validity of the district, the right of the district to enter into any type of contract for the purposes for which the district is created, the right of the district to impose, assess, or collect taxes, fees, or charges, or the operation of the district or its governing body.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.005. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a) All of the land and other property included within the boundaries of the district will be benefited by the works, projects, improvements, and services that are to be accomplished by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter. The district is created to serve a public use and benefit.

(b) The creation of the district:
(1) is essential to further the public purposes of the economic development and diversification of the state, the elimination of unemployment and underemployment, and the stimulation and development of transportation and commerce;
(2) is in the public interest; and
(3) will promote the health, safety, and general welfare of residents, employers, employees, and consumers in the district and of the general public.

(c) The district will provide needed funding for the district area to preserve, maintain, and enhance the economic health and vitality of the area as a community and business and commerce center. The district will further promote the health, safety, welfare, education, convenience, and enjoyment of the public by improving,
landscaping, and developing certain areas within and adjacent to the district and providing public services and facilities within and adjacent to the district that are necessary for the restoration, preservation, enhancement, and enjoyment of scenic and aesthetic beauty. The improvement projects authorized by this Act are essential to carrying out a public purpose. The district will not act as the agent or instrumentality of any private interests, even though private interests and the general public will benefit from the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.006. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 3875.031. GENERAL POWERS AND DUTIES. (a) The district has all of the powers and duties provided by the general law of this state, including:

(1) Subchapter E, Chapter 375, Local Government Code;
(2) the general laws of this state on conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code; and
(3) the general laws of this state on road districts and road utility districts created under Section 52(b)(3), Article III, Texas Constitution, including Chapter 441, Transportation Code.

(b) If any provision of the general law is in conflict or inconsistent with this chapter, this chapter prevails. Any general
law that supplements the power and authority of the district, to the extent not in conflict or inconsistent with this chapter, is adopted and incorporated by reference.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.
Amended by:
    Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.002(18), eff. September 1, 2015.

Sec. 3875.032. IMPROVEMENT PROJECTS. The district may conduct or authorize the following types of improvement projects or activities in support of or incidental to improvement projects:

(1) the planning, design, construction, improvement, and maintenance of:
    (A) landscaping;
    (B) highway right-of-way or transit corridor beautification and improvements;
    (C) lighting, banners, and signs;
    (D) streets or sidewalks;
    (E) hiking and cycling paths and trails, pedestrian walkways, skywalks, crosswalks, or tunnels;
    (F) parks, lakes, gardens, recreational facilities, open space, scenic areas, and related exhibits and preserves;
    (G) fountains, plazas, and pedestrian malls; and
    (H) drainage or storm water detention improvements;
(2) the planning, design, construction, improvement, maintenance, and operation of:
    (A) solid waste, water, sewer, or power facilities or services, including electrical, gas, steam, and chilled water facilities; or
    (B) off-street parking facilities, bus terminals, and heliports;
(3) the planning and acquisition of:
    (A) public art and sculpture and related exhibits and facilities; and
(B) educational and cultural exhibits and facilities;
(4) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for facilities for:
(A) conferences, conventions, or exhibitions;
(B) manufacturer, consumer, or trade shows;
(C) civic, community, or institutional events; and
(D) exhibits, displays, attractions, special events, and seasonal or cultural celebrations and holidays;
(5) the removal, razing, demolition, or clearing of land or improvements in connection with any improvement project;
(6) the acquisition and improvement of land and other property for the mitigation of the environmental effects of any improvement project;
(7) the acquisition of real or personal property or an interest in real or personal property in connection with an authorized improvement project;
(8) any special or supplemental services for the improvement and promotion of the district or the areas adjacent to the district or for the protection of public health and safety within or adjacent to the district, including advertising, promotion, tourism, health and sanitation, public safety, security, fire protection or emergency medical services, business recruitment, development, elimination of traffic congestion, and recreational, educational, or cultural improvements, enhancements, and services; and
(9) any similar public improvements, facilities, or services.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.033. POWERS RELATED GENERALLY TO FINANCIAL AND TERRITORIAL MATTERS. The district may:
(1) impose, assess, and apply the proceeds from a limited sales and use tax as authorized by Section 3875.111 for authorized
purposes;

(2) borrow money for district purposes;

(3) add or exclude territory in the manner provided by Subchapter J, Chapter 49, Water Code, as limited by Section 54.016, Water Code, except that:

(A) for purposes of this subdivision, a reference in Subchapter J, Chapter 49, Water Code, or Section 54.016, Water Code, to a tax means an ad valorem tax; and

(B) Section 54.016, Water Code, and Section 42.042, Local Government Code, do not apply to the district's annexation of land restricted primarily to commercial or business use;

(4) enter into a contract with any person for the accomplishment of any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of any costs incurred by that person for or on behalf of the district, including all or part of the costs of any improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project;

(5) apply for and contract with any person to receive, administer, and perform any duty or obligation of the district under any federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, donation, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project;

(6) establish, revise, repeal, enforce, collect, and apply the proceeds from user fees or charges for the enjoyment, sale, rental, or other use of the district's facilities, services, properties, or improvement projects;

(7) provide or secure the payment or repayment of the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs of any improvement project or district contractual obligation or indebtedness by or through a lease, installment purchase contract, or other agreement with any person, or the levy and assessment of taxes, user fees, concessions, rentals, or other revenues or resources of the district;
(8) undertake separately or jointly with other persons all or part of the cost of an improvement project, including an improvement project:
   (A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement within and adjacent to the district; or
   (B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(9) impose, collect, and apply the proceeds from a hotel occupancy tax as provided by Sections 3875.112 and 3875.113.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.
Amended by:
   Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.002(19), eff. September 1, 2015.

Sec. 3875.034. RULES AND REGULATIONS. The district may adopt, amend, and enforce by ordinary civil remedies reasonable rules and regulations:
   (1) for the administration and operation of the district;
   (2) for the use, enjoyment, availability, protection, security, and maintenance of the district's properties and facilities; and
   (3) to provide for public safety and security within the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.035. SECURITY SERVICES. The district may not employ peace officers but may contract for off-duty peace officers to
provide public safety and security services as the board determines necessary.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.036. ECONOMIC DEVELOPMENT. The district may exercise the economic development powers and authority that Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000, and Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.002(20), eff. September 1, 2015.

Sec. 3875.037. ROADWAYS, PARKS, OTHER PUBLIC AREAS. (a) The board by rule may regulate the private use of public roadways, open spaces, parks, sidewalks, and similar public areas within the district. To the extent the rules of the district conflict with a rule, order, ordinance, or regulation of a county or municipality with jurisdiction in the district's territory, the rule, order, ordinance, or regulation of the county or municipality controls. The rules may provide for the safe and orderly use of public roadways, open spaces, parks, sidewalks, and similar public areas or facilities.

(b) The board may require a permit for a parade, demonstration, celebration, entertainment event, or a similar nongovernmental activity in or on the public roadways, open spaces, parks, sidewalks, and similar public areas or facilities. The board may charge a fee for the permit application and for public safety or security services
in an amount the board considers necessary.

(c) The board may require a permit or franchise agreement with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of the area or facilities on terms and conditions and on payment of a permit or franchise fee the board may impose.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.038. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of a president, vice president, executive director, general manager, and any other operating officer of the district the board considers necessary.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.039. PROHIBITION ON EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.040. PROHIBITION ON IMPACT FEES AND ASSESSMENTS ON CERTAIN PROPERTY. (a) Because the district is created in an area that is devoted primarily to commercial and business activity, the district may not impose an impact fee or assessment on a single
family residential property or a residential duplex, triplex, quadriplex, or condominium.

(b) The district may not impose an impact fee or assessment on the property, equipment, or facilities of a utility.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 3875.071. BOARD OF DIRECTORS. Except as provided by this subchapter, the district is governed by a board of five directors elected by the voters of the district at large. Except as provided by Sections 3875.073(b) and 3875.074, directors serve staggered terms of four years and until their successors have been elected and have qualified.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.002(21), eff. September 1, 2015.

Sec. 3875.072. QUALIFICATIONS. To be qualified to serve as an elected director, a person must be at least 18 years of age and be:

1. a resident of the district;
2. an owner of real property in the district;
3. an owner of at least 10 percent of the outstanding interest of a corporation or general or limited partnership that owns real property in the district; or
4. an agent, employee, officer, or director of any corporation or partnership that owns real property in the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff.
Transferred and redesignated from Local Government Code, Chapter 385
by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41),
eff. September 1, 2015.

Sec. 3875.073. INITIAL BOARD. (a) On the effective date of
this Act, the initial board of directors is composed of the following
persons:

(1) Position One: Nanci Wright;
(2) Position Two: Gene Slater; and
(3) Position Three: Rohn Boone.

(b) The initial directors appointed to serve in Positions One
and Two shall serve until the first Saturday in May 2002, or until
their successors have been elected and been duly qualified. The
initial director appointed to serve in Position Three shall serve
until the first Saturday in May 2004, or until the successor has been
elected and been duly qualified.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff.
Transferred and redesignated from Local Government Code, Chapter 385
by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41),
eff. September 1, 2015.

Sec. 3875.074. ELECTED BOARD. The board shall call and hold an
election on the first Saturday in May 2002 for the election of
directors to fill Positions One, Two, Four, and Five. Before the
election, the board shall determine which director, of the directors
serving in Positions Four and Five, shall serve a term expiring in
May 2004. The board shall call and hold an election on the first
Saturday in May 2004 to elect a director to Position Three and elect
a director to Position Four or Five, as determined by the board.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff.
Transferred and redesignated from Local Government Code, Chapter 385
by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41),
eff. September 1, 2015.
Sec. 3875.075. VACANCY. A vacancy in the office of director shall be filled by appointment of a qualified individual by a majority vote of the remaining directors. The board may remove a director for misconduct or failure to carry out the director's duties by unanimous vote of all of the remaining directors.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.076. DIRECTOR'S BOND. As soon as practicable after a director is elected or appointed, the elected director shall execute a bond for $10,000 payable to the district and conditioned on the faithful performance of the director's duties. All of the directors' bonds must be approved by the board. Each director shall take the oath of office prescribed by the constitution for public office. The bond and oath shall be filed with the district and the district shall retain the bond and oath in its records.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.077. OFFICERS; COMPENSATION; QUORUM. (a) The directors shall elect a chair, a vice chair, a secretary, and any other officers as the board considers necessary.

(b) A position on the board may not be construed to be a civil office of emolument for any purpose, including those purposes described in Section 40, Article XVI, Texas Constitution.

(c) A director is not entitled to compensation for service on the board but is entitled to be reimbursed for necessary expenses incurred in carrying out the duties and responsibilities of a director.

(d) Three directors constitute a quorum for the consideration of matters pertaining to the district, and a concurrence of a
majority of a quorum of directors shall be required for any official action of the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.078. COMMON LAW PRINCIPLES. A person who qualifies to serve on the board is qualified to serve as a director and participate in all votes pertaining to the business of the district regardless of any common-law doctrine or statute regarding conflict-of-interest, incompatibility, or similar matter to the contrary.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.079. CONFIRMATION AND DIRECTORS ELECTION. (a) As soon as practicable after all initial directors have qualified for office, the initial directors shall hold an organizational meeting and call a confirmation election to be held on the next available uniform election date occurring not less than 45 days after the date of the organizational meeting.

(b) The confirmation election shall be called and held to confirm the establishment of the district in the manner provided by Subchapter D, Chapter 49, Water Code. In the event a majority of the votes cast at a confirmation election is against the creation of the district, the board may not call another confirmation election for six months after the date the former confirmation election is held. Before a successful confirmation election, the district:

(1) may not borrow money or impose or assess a tax; and
(2) may carry on any business as the board may determine except as provided by Subdivision (1).

(c) An election to authorize or to discontinue the imposition and assessment of taxes may be held in conjunction with a
confirmation or director election.

(d) The district shall hold an election for directors on the first Saturday in May in each even-numbered year in the manner provided by Subchapter D, Chapter 49, Water Code.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.080. OPEN RECORDS AND MEETINGS. Chapters 551 and 552, Government Code, apply to the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

SUBCHAPTER D. TAXES; BONDS; CONTRACTS

Sec. 3875.111. LIMITED SALES AND USE TAX. (a) Words and phrases used in this section that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

(b) Except as otherwise provided in this section, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to the taxes and to the administration and enforcement of the taxes imposed by the district in the same manner that those laws apply to state taxes.

(c) The district may adopt, reduce, or repeal the limited sales and use tax authorized by this section at an election in which a majority of the qualified voters of the district voting in the election approve the adoption or the abolition of the tax, as applicable.

(d) The provisions of Subchapters C, D, E, and F, Chapter 323, Tax Code, relating to county sales and use taxes shall apply to the application, collection, and administration of a sales and use tax imposed under this section to the extent consistent with this
chapter, as if references in Chapter 323, Tax Code, to a county referred to the district and references to a commissioners court referred to the board. Sections 323.401-323.404 and 323.505, Tax Code, do not apply to a tax imposed under this section.

(e) A tax imposed under this section or the repeal or reduction of a tax under this section takes effect on the first day of the calendar quarter occurring after the date on which the comptroller receives the copy of the resolution as required by Section 323.405(b), Tax Code.

(f) On adoption of the tax authorized by this section, there is imposed a tax of two percent, or the maximum rate at which the combined tax rate of all local sales and use taxes in any location in the district does not exceed two percent, on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer within the district during the period that the tax is in effect. The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item. With respect to a taxable service, "use" means the derivation in the district of direct or indirect benefit from the service.

(g) An election to authorize, reduce, or repeal a limited sales and use tax may be called by order of the board and must be held on the next available uniform election date established by Section 41.001, Election Code, that occurs 45 or more days after the date on which the order calling the election was passed. Notice of the election shall be given and the election shall be held and conducted in the manner prescribed by Chapter 54, Water Code, for bond elections for municipal utility districts. The ballots shall be printed to provide for voting for or against the appropriate proposition:

(1) "Adoption of a ___ percent district sales and use tax within the district;"

(2) "Reduction of the district sales and use tax within the district from ___ percent to ___ percent;" or

(3) "Abolition of the district sales and use tax within the district."

(h) If all or part of the territory of the district is annexed by a municipality that has adopted and is imposing a sales and use tax, the sales and use tax imposed by the district in the annexed
territory shall be reduced, if required, in even multiples of one-eighth percent, and without the necessity for an election, so that the combined rate of all sales and use taxes imposed by the county, the annexing municipality, and all other political subdivisions within the annexed territory of the district will not exceed two percent, provided that a sales and use tax previously adopted by the district for the annexed territory shall not be reduced to less than one-half percent, and provided further that no reduction of the district's sales and use tax in the portions of the district not so annexed shall be required.

(i) A tax imposed under this section or the reduction or repeal of a tax under this section takes effect on the first day of the calendar quarter occurring after the date on which the comptroller receives the notice required by Section 323.405(b), Tax Code.

(j) Not later than the 10th day after the date of the annexation or exclusion of territory by the district or the annexation of all or part of the territory of the district by a municipality requiring a reduction of the district's sales and use tax as provided by Subsection (h), the board shall send to the comptroller, by certified or registered mail, certified copies of all resolutions, orders, or ordinances pertaining to the annexation or exclusion of the territory by a district or municipality.

(k) The district may examine and receive information related to the imposition, assessment, and collection of sales and use taxes to the same extent as if the district were a municipality.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.112. HOTEL OCCUPANCY TAX. (a) In this section, "hotel" has the meaning assigned by Section 156.001, Tax Code.

(b) The board by order may impose, repeal, or increase or decrease the rate of a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to use or possess a room that is in a hotel located in the boundaries of the district,
costs $2 or more each day, and is ordinarily used for sleeping. The amount of the tax may not exceed seven percent of the price paid for a room in a hotel.

(c) Subchapter A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized under this section, including the collection of the tax, except as inconsistent with this section and Section 3875.113, subject to the limitations prescribed by Sections 352.002(b) and (c), Tax Code.

(d) The district may examine and receive information related to the imposition, assessment, and collection of hotel occupancy taxes to the same extent as if the district were a municipality.

(e) For purposes of this section, a reference in Subchapter A, Chapter 352, Tax Code, to a county is a reference to the district and a reference in Subchapter A, Chapter 352, Tax Code, to the county's officers or governing body is a reference to the board.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.002(22), eff. September 1, 2015.

Sec. 3875.113. USE OF HOTEL OCCUPANCY TAX. (a) The district shall apply the proceeds from a hotel occupancy tax imposed under Section 3875.112 for any of the district's purposes and for the purposes described by Section 352.1015, Tax Code, to the extent considered appropriate by the board.

(b) During each interval of three calendar years following the date on which a hotel occupancy tax imposed under Section 3875.112 is initially collected, the board may not apply an annual average of more than 10 percent of the amount of tax collected under that section, excluding any interest earnings or investment profits and after a deduction for the costs of imposing and collecting the taxes, for the administrative expenses of the district or a district purpose other than:

(1) the costs of advertising and promoting tourism; or
(2) the costs of business development and commerce, including the costs of planning, designing, constructing, acquiring, leasing, financing, owning, operating, maintaining, managing, improving, repairing, rehabilitating, or reconstructing improvement projects for conferences, conventions, and exhibitions, manufacturer, consumer, or trade shows, and civic, community, or institutional events.

(c) For purposes of this section, a reference in Subchapter B, Chapter 352, Tax Code, to a county is a reference to the district and a reference in Subchapter B, Chapter 352, Tax Code, to the county's officers or governing body is a reference to the board.

Sec. 3875.114. BONDS. (a) The district may issue bonds in the manner provided by Subchapter J, Chapter 375, Local Government Code. Sections 375.207 and 375.208, Local Government Code, do not apply to bonds issued under this section.

(b) If the district issues bonds for the primary purpose of providing water, sewage, or drainage facilities, the district must obtain the commission's approval in the manner provided by Section 49.181, Water Code.

(c) In addition to the sources of money described by Subchapter J, Chapter 375, Local Government Code, the bonds of the district may be secured and made payable, wholly or partly, by a pledge of any part of the net proceeds the district receives from the sales and use tax authorized by Section 3875.111 and the hotel occupancy tax authorized by Section 3875.112.
eff. September 1, 2015.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.002(24), eff. September 1, 2015.

Sec. 3875.115. CONTRACTS WITH DISTRICT. (a) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period of time as the board may determine.
(b) Notwithstanding any other law or charter provision, a state agency, municipality, county, other political subdivision, corporation, individual, or other entity may contract with the district to carry out the purposes of this chapter without any further authorization.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

SUBCHAPTER E. DISSOLUTION

Sec. 3875.131. DISSOLUTION. The board by majority vote may dissolve the district at any time. The board shall dissolve the district on written petition of the owners of 75 percent of the acreage of real property in the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.132. INDEBTEDNESS AND CONTRACTUAL OBLIGATIONS. The board may not dissolve the district until the district's outstanding indebtedness or contractual obligations have been repaid or discharged.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff.
Sec. 3875.133. TRANSFER OF PROPERTY AND ASSETS. After the board elects to dissolve the district, the board shall transfer ownership of all property and assets of the district to Smith County.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.
Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

CHAPTER 3876. ALDEN LAKE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3876.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Alden Lake Management District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.002. NATURE OF DISTRICT. The Alden Lake Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Lake Jackson,
Brazoria County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve the City of Lake Jackson and Brazoria County from providing the level of services provided, as of the effective date of the Act creating this chapter, to the area in the district. The district is created to supplement and not to supplant the city or county services provided in the area in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, roads, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundary description contained in Section 2 of the Act creating this chapter forms a closure. A mistake in the boundary description does not affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3876.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.052. APPOINTMENT OF DIRECTORS. (a) The governing body of the City of Lake Jackson shall appoint directors. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

(b) The governing body of the City of Lake Jackson shall appoint:
(1) three directors from a list of persons nominated by the board; and

(2) two directors chosen by the governing body.

(c) Section 375.063, Local Government Code, does not apply to directors appointed under Subsection (b)(2).

(d) If a person owns 25 percent or more of the surface area of land in the district, the board shall request that the person provide to the board a list of individuals for the board to nominate under this section. If the person does not provide a list of individuals to the board before the 31st day after the date the board requests the list or if no person owns 25 percent or more of the surface area of land in the district, the board is not required to obtain a list and may nominate any eligible individual for appointment to the board. If more than one person owns 25 percent or more of the surface area of land included in the district, only the person who owns the greatest amount of land included in the district is entitled to have the board request a list under this subsection.

(e) If a person who owns 25 percent or more of the surface area of land in the district provides a list of individuals under Subsection (d), at least a majority of the board must be composed of individuals from a list or lists provided by that person.

(f) The City of Lake Jackson for any reason may remove a director appointed under Subsection (b)(2) and appoint a person to serve the remainder of the unexpired term.

(g) The board may appoint a person to fill a vacancy in the office of a director appointed under Subsection (b)(1) for the remainder of the unexpired term.

(h) The City of Lake Jackson may appoint a person to fill a vacancy in the office of a director appointed under Subsection (b)(2) for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.
Sec. 3876.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.056. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3876.101. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

(c) The board may enter into a contract with the board of directors of a tax increment reinvestment zone created under Chapter 311, Tax Code, and the governing body of the county or municipality that created the zone to manage the zone or implement the project plan and reinvestment zone financing plan.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified party, including Brazoria County or the City of Lake Jackson, for the provision of law enforcement services in the district for a fee.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.
Sec. 3876.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
  (1) make loans and grants of public money; and
  (2) provide district personnel and services.

(b) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code.

Sec. 3876.107. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Sec. 3876.108. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code, only if the City of Lake Jackson by ordinance or resolution consents to the annexation.

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

SUBCHAPTER D. PARKING FACILITIES

Sec. 3876.151. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking
facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district may be leased to, or operated for the district by, an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution.

(d) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.152. RULES. The district may adopt rules covering its public parking system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.153. FINANCING OF PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating public parking facilities.

(b) The district may:

(1) set, charge, impose, and collect fees, charges, or tolls for the use of the public parking facilities; and

(2) issue bonds or notes to finance the cost of these facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
Sec. 3876.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board
by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.203. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to the assessment according to the most recent certified tax appraisal roll for Brazoria County; or

(2) at least 25 persons who own real property in the district that is subject to assessment, if more than 25 persons own real property in the district subject to assessment as determined by the most recent certified tax appraisal roll for Brazoria County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.204. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1,
Sec. 3876.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district. Section 375.114, Local Government Code, does not apply to the district.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.207. RESIDENTIAL PROPERTY. Section 375.161, Local Government Code, does not apply to a tax imposed by the district or a requirement for payment for a service provided by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.208. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3876.212, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:
(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.209. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.210. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS. (a) The district may borrow money on terms and conditions as determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.211. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.212. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other
obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3876.209.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that the district may acquire by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.213. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the City of Lake Jackson is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.214. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.215. TAX AND ASSESMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.
SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED PROPERTY

Sec. 3876.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the defined area or designated property, the board shall hold an election in the defined area or within the boundaries of the designated property only.

(b) The election shall be conducted as provided by Section 3876.212.

(c) The board may submit the issues to the voters on the same ballot to be used in another election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) The board's order is not subject to judicial review except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.
Sec. 3876.254. TAXES FOR IMPROVEMENTS AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3876.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

Sec. 3876.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3876.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1083 (H.B. 4775), Sec. 1, eff. June 19, 2009.

CHAPTER 3877. WALLER TOWN CENTER MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3877.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Waller Town Center Management District.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.002. NATURE OF DISTRICT. The Waller Town Center Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.
Sec. 3877.003. PURPOSE; DECLARATION OF INTENT.  (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Waller, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.
(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff.
Sec. 3877.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3877.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 3877.052, directors serve staggered four-year terms, with two or three directors elected in even-numbered years on the uniform election date in May prescribed by the Election Code.
(c) Section 54.102, Water Code, applies to directors. Section
375.063, Local Government Code, does not apply to directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.052. TEMPORARY DIRECTORS. (a) The initial temporary board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cindy Gayle</td>
</tr>
<tr>
<td>2</td>
<td>Wendell Halley</td>
</tr>
<tr>
<td>3</td>
<td>Larry Boudloche</td>
</tr>
<tr>
<td>4</td>
<td>John Isom</td>
</tr>
<tr>
<td>5</td>
<td>Jo Ann London</td>
</tr>
</tbody>
</table>

(b) The temporary directors shall hold an election to elect five permanent directors.

(c) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Subsection (b); or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(d) If permanent directors have not been elected under Subsection (b) and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (e) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Subsection (b); or
   (2) the fourth anniversary of the date of the appointment or reappointment.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.
Sec. 3877.053. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3877.101. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
   (1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
   (2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.
Sec. 3877.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person. (b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified party, including Harris County or the City of Waller, for the provision of law enforcement services in the district for a fee.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to: (1) make loans and grants of public money; and (2) provide district personnel and services. (b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.
Sec. 3877.107. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership with the City of Waller under Section 43.0751, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.108. LIMITED EMINENT DOMAIN. (a) Section 375.094, Local Government Code, does not apply to the district.

(b) The district may exercise the power of eminent domain in accordance with Section 49.222, Water Code.

(c) The district may not exercise the power of eminent domain outside the district boundaries to acquire:
   (1) a site for a water treatment plant, water storage facility, wastewater treatment plant, or wastewater disposal plant;
   (2) a recreational facility as defined by Section 49.462, Water Code; or
   (3) a site for a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.109. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. PUBLIC PARKING FACILITIES

Sec. 3877.151. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:
   (1) lots, garages, parking terminals, or other structures
or accommodations for parking motor vehicles off the streets; and
(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district may be leased to, or operated for the district by, an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution.

(d) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.152. RULES. The district may adopt rules covering its public parking system.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.153. FINANCING OF PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating public parking facilities.

(b) The district may:
(1) set, charge, impose, and collect fees, charges, or tolls for the use of the public parking facilities; and
(2) issue bonds or notes to finance the cost of these facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
Sec. 3877.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the
district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.203. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.204. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the
district.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff.
Sec. 3877.207. RESIDENTIAL PROPERTY. Section 375.161, Local Government Code, does not apply to a tax imposed by the district or a requirement for payment for a service provided by the district, including water and sewer services.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.208. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3877.212, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.209. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.
Sec. 3877.210. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS.
(a) The district may borrow money on terms and conditions as determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.
(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.
(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.211. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.212. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3877.209.
(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or sales and use tax or issue bonds payable from ad valorem taxes.
(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of district bonds may be included in one single proposition to be voted on at the election or the bonds may be submitted in several propositions.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.213. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.214. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED PROPERTY

Sec. 3877.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad
valorem taxes of the defined area or designated property, the board shall hold an election in the defined area or within the boundaries of the designated property only.

(b) The election shall be conducted as provided by Section 3877.212.

(c) The board may submit the issues to the voters on the same ballot to be used in another election.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) The board's order is not subject to judicial review except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.254. TAXES FOR IMPROVEMENTS AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described in Section 3877.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.255. ISSUANCE OF BONDS AND LEVY OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3877.253 is adopted, the district may issue bonds to provide for any land,
improvements, facilities, plants, equipment, and appliances for the
defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff.

**SUBCHAPTER G. SALES AND USE TAX**

Sec. 3877.301. MEANINGS OF WORDS AND PHRASES. Words and
phrases used in this subchapter that are defined by Chapters 151 and
321, Tax Code, have the meanings assigned by Chapters 151 and 321,
Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff.

Sec. 3877.302. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.
(a) Except as otherwise provided by this subchapter, Subtitles A and
B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes
imposed under this subchapter and to the administration and
enforcement of those taxes in the same manner that those laws apply
to state taxes.

(b) Chapter 321, Tax Code, relating to municipal sales and use
taxes, applies to the application, collection, change, and
administration of a sales and use tax imposed under this subchapter
to the extent consistent with this chapter, as if references in
Chapter 321, Tax Code, to a municipality referred to the district and
references to a governing body referred to the board.

(c) Sections 321.106, 321.401, 321.402, 321.403, 321.404,
apply to a tax imposed under this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff.

Sec. 3877.303. AUTHORIZATION; ELECTION. (a) The district may
adopt a sales and use tax to serve the purposes of the district after
an election in which a majority of the voters of the district voting
in the election authorize the adoption of the tax.
(b) The board by order may call an election to authorize a sales and use tax. The election may be held with any other district election.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Section 3877.212.

(d) The ballots shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the Waller Town Center Management District at a rate not to exceed ___ percent."

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.304. ABOLISHING SALES AND USE TAX. (a) Except as provided by Subsection (b), the board may abolish the sales and use tax without an election.

(b) The board may not abolish the sales and use tax if the district has outstanding debt secured by the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

Sec. 3877.305. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax on the receipts from the sale at retail of taxable items within the district and an excise tax on the use, storage, or other consumption in the district of taxable items purchased, leased, or rented from a retailer in the district during the period that the tax is in effect.

(b) The board shall determine the rate of the tax, which may be in one-eighth of one percent increments not to exceed the maximum rate authorized by the district voters at the election. The board may lower the tax rate to the extent it does not impair any outstanding debt or obligations payable from the tax.

(c) The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.
SUBCHAPTER H. MUNICIPAL ANNEXATION AND DISSOLUTION

Sec. 3877.351. MUNICIPAL ANNEXATION; DISSOLUTION. (a) Section 43.071, Local Government Code, applies to the district and the district is a "water or sewer district" for purposes of that section.

(b) Section 43.075, Local Government Code, applies to the district.

(c) Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 587 (S.B. 2467), Sec. 1, eff. June 19, 2009.

CHAPTER 3878. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 11

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3878.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Harris County Improvement District No. 11.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 11. The Harris County Improvement District No. 11 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, the Metropolitan Transit Authority of Harris County, and other political subdivisions to contract with the district, the
legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of the effective date of this Act to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) Each improvement project or service authorized by this chapter is essential to carry out a public purpose.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the area as
a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing public art and pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty;

(4) promote and benefit commercial development and commercial areas in the district; and

(5) promote and develop public transportation and pedestrian facilities and systems using new and alternative means that are attractive, safe, and convenient, including securing expanded and improved transportation and pedestrian facilities and systems, to:

   (A) address the problem of traffic congestion in the district, the need to control traffic and improve pedestrian safety, and the limited availability of money; and

   (B) benefit the land and other property in the district and the residents, employers, employees, visitors, and consumers in the district and the public.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Section 3878.251;

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

(3) other law.

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

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose and collect an assessment or tax; or
(4) the legality or operation of the district or the board.

(c) A description of the district's boundaries shall be filed with the Texas Commission on Environmental Quality. The commission by order may correct a mistake in the description of the district's boundaries.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3878.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 10 voting directors appointed by a majority of the members of the governing body, including the mayor, of the City of Houston. Voting directors serve staggered terms of four years with five directors' terms expiring June 1 of each odd-numbered year.

(b) The board by order or resolution may increase or decrease the number of voting directors on the board, but only if a majority of the voting directors finds that it is in the best interest of the district to do so. The board may not:

(1) increase the number of voting directors to more than 15; or
(2) decrease the number of voting directors to fewer than five.

(c) Sections 49.053, 49.054, 49.056, 49.057, 49.058, and
49.060, Water Code, apply to the board.

(d) Subchapter D, Chapter 375, Local Government Code, applies to the board to the extent that subchapter does not conflict with this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.052. APPOINTMENT OF DIRECTORS ON INCREASE IN BOARD SIZE. If the board increases the number of directors under Section 3878.051, the board shall appoint eligible persons to fill the new director positions and shall provide for the staggering of terms of the new directors. On expiration of the term of a director appointed under this section, a succeeding director shall be appointed and qualified as provided by Subchapter D, Chapter 375, Local Government Code. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.053. NONVOTING DIRECTORS. (a) The following persons shall serve as nonvoting directors:

(1) the directors of the following departments of the City of Houston or a person designated by that director:
   (A) parks and recreation;
   (B) planning and development; and
   (C) public works; and

(2) the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to the duties performed by the abolished department.
Sec. 3878.054. QUORUM. (a) Except as provided by Subsection (b), six voting directors constitute a quorum of the board.

(b) If the board is composed of an odd number of voting directors, a majority of the voting directors constitutes a quorum of the board.

(c) Nonvoting directors and vacant director positions are not counted for the purposes of establishing a quorum of the board.

Sec. 3878.055. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a voting director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have substantial interest in a business entity under Section

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.056. COMPENSATION OF VOTING DIRECTORS. Voting directors may receive fees of office and reimbursement of expenses as provided by Section 49.060, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3878.101. DISTRICT POWERS. The district may exercise the powers given to:

(1) a district created under Chapter 375, Local Government Code;

(2) a district by Subchapters H and I, Chapter 49, Water Code;

(3) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that section; and

(4) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service
authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.104. ELECTIONS. (a) District elections must be held in the manner provided by Subchapter L, Chapter 375, Local Government Code.

(b) The board may submit multiple purposes in a single proposition at an election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.105. CONTRACT FOR LAW ENFORCEMENT AND SECURITY SERVICES. The district may contract with:

(1) Harris County or the City of Houston for the county or city to provide law enforcement and security services in the district for a fee; or

(2) a private entity for the private entity to provide supplemental security services.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.
Sec. 3878.106. ANNEXATION OR EXCLUSION OF TERRITORY. The district may annex or exclude land from the district in the manner provided by Subchapter C, Chapter 375, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.107. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Houston's governing body for:

(1) the issuance of a bond for each improvement project;
(2) the plans and specifications of the improvement project financed by the bond; and
(3) the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and
(2) performs a service or provides an activity consistent with promoting a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.
Sec. 3878.109. ROAD POWERS. The district may exercise powers given to:

(1) a road district created under Chapter 257, Transportation Code; and

(2) a road utility district created under Chapter 441, Transportation Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.110. AIR RIGHTS; CONSTRUCTION. The district may acquire air rights and related easements and may construct improvements on property on which it owns only air rights and related easements.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.111. ADDITIONAL PROPERTY RIGHTS; LEASEHOLDS. The district may construct improvements on property on which it only has a leasehold interest and may own undivided interests in buildings and other improvements.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES**

Sec. 3878.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.
(b) The board may not act under Subsection (a) unless a written petition requesting the action has been filed with the board.

(c) The petition must be signed by:

(1) the owners of property representing a majority of the total assessed value of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located; or

(2) the owners of a majority of the area of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located.

(d) For purposes of Subsection (c), the determination of a majority is based on the property owners along the entire right-of-way of the proposed transit project and may not be calculated on a block-by-block basis.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for the parking of motor vehicles; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in the parking of vehicles.

(b) A parking facility of the district must be either leased to or operated on behalf of the district by a private entity or an entity other than the district. The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution, and accomplish a public purpose under that section even if leased or operated by a private entity for a term of years.

(c) The district's public parking facilities and any lease to a private entity are exempt from the payment of ad valorem taxes and state and local sales and use taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.
Sec. 3878.153. RULES. The district may adopt rules covering its public transit system or its public parking facilities, except that a rule relating to or affecting the use of the public right-of-way or a requirement for off-street parking is subject to all applicable municipal charter, code, or ordinance requirements.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring and operating a public transit system or public parking facilities.

(b) The district may set and impose fees, charges, or tolls for the use of the public transit system or the public parking facilities and may issue bonds or notes to finance the cost of these facilities.

(c) Except as provided by Section 3878.151, if the district pays for or finances the cost of acquiring or operating a public transit system or public parking facilities with resources other than assessments, a petition of property owners or a public hearing is not required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.155. PAYMENT IN LIEU OF TAXES TO OTHER TAXING UNIT. If the district's acquisition of property for a parking facility that is leased to or operated by a private entity results in the removal from a taxing unit's tax rolls of real property otherwise subject to ad valorem taxation, the district shall pay to the taxing unit in which the property is located, on or before January 1 of each year, as a payment in lieu of taxes, an amount equal to the ad valorem taxes that otherwise would have been imposed for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the property.
Sec. 3878.156. AGREEMENT WITH RAPID TRANSIT AUTHORITY. (a) In this section, "authority" means a rapid transit authority created under Chapter 451, Transportation Code.

(b) The district and an authority may agree to jointly construct, own, operate, and maintain a transit facility or a parking facility under the terms the authority and district desire.

(c) The agreement may provide that the district and the authority exchange or trade land provided that each party to the agreement receives fair market value. The authority is not required to offer any property that it proposes to trade to the district for sale to the public or for sale to any abutting property owner.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 3878.201. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM TAXES, AND IMPACT FEES. The district may impose, assess, charge, or collect an assessment, an ad valorem tax, an impact fee, or another fee in accordance with Chapter 49, Water Code, for a purpose specified by Chapter 375, Local Government Code, or as needed to exercise a power or function of the district or to accomplish a purpose or duty for which the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.202. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.
Sec. 3878.203. ASSESSMENT IN PART OF DISTRICT. An assessment may be imposed on only a part of the district if only that part will benefit from the service or improvement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.204. PETITION REQUIRED FOR ASSESSMENT AND FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not impose an assessment or finance a service or improvement project under this chapter unless a written petition requesting the improvement or service has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 owners of real property in the district that will be subject to the assessment, if more than 25 persons own real property subject to the assessment in the district according to the most recent certified tax appraisal roll for Harris County.

(c) The board may act upon a petition, required under this section, signed by qualified petitioners prior to or subsequent to the enactment of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.205. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3878.104, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) administer the district;
(2) maintain and operate the district;
(3) construct or acquire improvements; or
(4) provide a service.

(b) The board shall determine the tax rate.

(c) An owner of real property in the district, except property exempt under the Texas or United States Constitution or under the Tax Code, is liable for the payment of ad valorem taxes imposed by the
district on the property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.206. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.207. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENT AND IMPACT FEES. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.208. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:
(1) burying or removing electrical power lines, telephone lines, cable or fiber-optic lines, or any other type of electrical or optical line;
(2) removing poles and any elevated lines using the poles; and
(3) reconnecting the lines described by Subdivision (2) to the buildings or other improvements to which the lines were connected.

(b) The district may acquire, operate, or charge fees for the use of the district conduits for:
(1) another person's:
   (A) telecommunications network;
   (B) fiber-optic cable; or
   (C) electronic transmission line; or
(2) any other type of transmission line or supporting facility.

(c) The district may not require a person to use a district conduit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.209. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds, notes, or other obligations in accordance with Subchapter J, Chapter 375, Local Government Code, payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of these sources of money, to pay
for any authorized district purpose.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.210. LIMITS ON PARKS AND RECREATION BONDS. Bonds issued to finance parks and recreational facilities may not exceed one percent of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.211. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.212. POWERS OF MUNICIPAL UTILITY DISTRICT TO ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. (a) The district has the powers of a municipal utility district under Subchapter J, Chapter 54, Water Code, including the power to:

(1) implement a plan;
(2) issue bonds; and
(3) impose a tax in a defined area established under that subchapter.

(b) The district may exercise the powers described by Subsection (a) regardless of whether the district is composed of the minimum number of acres provided by Section 54.801, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.213. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.214. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $50,000.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. CONSOLIDATION

Sec. 3878.251. CONSOLIDATION WITH MUNICIPAL MANAGEMENT DISTRICT. (a) The district may consolidate with one other municipal management district that adjoins or has a boundary that is within a two-mile radius of any boundary of the district. The board may consolidate with one other district only if the district to be consolidated has not issued bonds or notes secured by assessments or ad valorem taxes or imposed taxes.

(b) To initiate consolidation, the board of a district shall adopt a resolution proposing a consolidation and deliver a copy of the resolution to the board of each district with which consolidation is proposed.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1,
Sec. 3878.252. TERMS AND CONDITIONS FOR CONSOLIDATION. Not later than the 30th day after districts are consolidated under Section 3878.251, the districts shall enter into an agreement specifying the terms and conditions for consolidation. The terms and conditions for consolidation must include:

1. adoption of a name for the consolidated district;
2. the number and apportionment of directors to serve on the board of the consolidated district;
3. the effective date of the consolidation;
4. an agreement on finances for the consolidated district, including disposition of funds, property, and other assets of each district; and
5. an agreement on governing the districts during the transition period, including selection of officers.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.253. NOTICE AND HEARING ON CONSOLIDATION. (a) Each district's board shall publish notice and hold a public hearing in its district regarding the terms and conditions for consolidation of the districts. The board shall publish notice at least once in a newspaper with general circulation in the affected districts at least seven days before the hearing.

(b) After the hearing, each board by resolution must approve the terms and conditions for consolidation by majority vote and enter an order consolidating the districts.

(c) If the board of each involved district adopts a resolution containing the terms and conditions for the consolidation, the involved districts become consolidated.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.254. GOVERNING CONSOLIDATED DISTRICTS. (a) After two districts are consolidated, they become one district and are

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governed as one district.

(b) During the period before the terms and conditions of the agreement under Section 3878.252 take effect, the officers of each district shall continue to act jointly as officers of the original districts to settle the affairs of their respective districts.

(c) If one of the districts consolidated into one district under this subchapter had powers at the time the districts were consolidated that the other district being consolidated did not have, the consolidated district may exercise within the original boundaries of each district only the powers that belonged to that original district. In territory annexed into a consolidated district, the district may exercise any of the powers of the original districts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.255. DEBTS OF ORIGINAL DISTRICTS. After two districts are consolidated, the consolidated district shall protect the debts and obligations of the original districts and shall ensure that the debts and obligations are not impaired. If the consolidated district has taxing authority, the debts may be paid by taxes imposed on the land in the original districts as if they had not consolidated or from contributions from the consolidated district on terms stated in the consolidation agreement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.256. ASSESSMENT AND COLLECTION OF TAXES. If the consolidated district has taxing authority, the district shall impose and collect taxes on all property in the district uniformly, for maintenance and operation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

Sec. 3878.257. FILING OF ORDER WITH COUNTY CLERK AND EXECUTIVE DIRECTOR. The board shall keep in the records of the consolidated
district, recorded in the office of the county clerk in each of the counties in the consolidated district, a consolidation order issued by the board. The board shall file the consolidation order with the executive director of the Texas Commission on Environmental Quality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER G. DISSOLUTION**

Sec. 3878.301. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.
(a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, except that Section 375.264, Local Government Code, does not apply to the district. The board may dissolve the district regardless of whether the district has debt.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms. The dissolution is effective when all debts have been discharged.

Added by Acts 2009, 81st Leg., R.S., Ch. 1068 (H.B. 4722), Sec. 1, eff. June 19, 2009.

**CHAPTER 3879. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3879.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Improvement District No. 18.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.002. NATURE OF DISTRICT. The Harris County Improvement District No. 18 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff.
Sec. 3879.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

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

(1) organization, existence, or validity;

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

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

(4) legality or operation.
Sec. 3879.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

Sec. 3879.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3879.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3879.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the
change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.052. APPOINTMENT OF DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.056. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 3879.101.  DEVELOPMENT CORPORATION POWERS.  The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.102.  NONPROFIT CORPORATION.  (a)  The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b)  The nonprofit corporation:

(1)  has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2)  may implement any project and provide any service authorized by this chapter.

(c)  The board shall appoint the board of directors of the nonprofit corporation.  The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.103.  AGREEMENTS; GRANTS.  (a)  The district may make an agreement with or accept a gift, grant, or loan from any person.

(b)  The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff.
Sec. 3879.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified person, including Harris County or the City of Houston, for the provision of law enforcement services in the district for a fee.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.107. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership with the City of Houston as provided by Section 43.0751, Local Government Code.
Sec. 3879.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Sec. 3879.109. USE OF CONDUITS. (a) The district may finance, acquire, construct, improve, operate, maintain, or charge a fee for the use of district conduits for:

(1) fiber-optic cable;
(2) electronic transmission lines; or
(3) other types of transmission lines and supporting facilities.

(b) The district may not require a person to use a district conduit.

Sec. 3879.110. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

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

SUBCHAPTER D. PUBLIC PARKING FACILITIES

Sec. 3879.151. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:
(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and
(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district may be leased to or operated on behalf of the district by an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution.

(d) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.152. RULES. The district may adopt rules governing the district's public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.153. FINANCING OF PUBLIC PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating public parking facilities.

(b) The district may:
(1) set, charge, impose, and collect fees, charges, or tolls for the use of the district's public parking facilities; and
(2) issue bonds or notes to finance the cost of the district's public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
Sec. 3879.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board
by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.203. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.204. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The
board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or
advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.207. RESIDENTIAL PROPERTY. Section 375.161, Local Government Code, does not apply to a tax imposed by the district or a required payment for a service provided by the district, including water and sewer service.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.208. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3879.212, the district may impose an annual operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.209. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.
Sec. 3879.210. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS.  
(a) The district may borrow money on terms and conditions as determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.211. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.212. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3879.209.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter
approval before the district may impose an ad valorem tax or sales
and use tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to
the district.

(d) All or any part of any facilities or improvements that may
be acquired by a district by the issuance of district bonds may be
included in one single proposition to be voted on at the election or
the bonds may be submitted in several propositions.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff.

Sec. 3879.213. COMPETITIVE BIDDING. Subchapter I, Chapter 49,
Water Code, applies to the district. Sections 375.221 and 375.223,
Local Government Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff.

Sec. 3879.214. TAX AND ASSESSMENT ABATEMENTS. The district may
grant in the manner authorized by Chapter 312, Tax Code, an abatement
for a tax or assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff.

SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED
PROPERTY

Sec. 3879.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR
DESIGNATED PROPERTY. The district may define areas or designate
certain property of the district to pay for improvements, facilities,
or services that primarily benefit that area or property and do not
generally and directly benefit the district as a whole.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff.
Sec. 3879.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3879.251, the board must call and hold an election as provided by Section 3879.212 only in the defined area or in the boundaries of the designated property.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and by order shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREA OR DESIGNATED PROPERTY. On voter approval and adoption of the order described in Section 3879.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section
3879.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

SUBCHAPTER G. SALES AND USE TAX

Sec. 3879.301. MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.302. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.

(b) Chapter 321, Tax Code, relating to municipal sales and use taxes, applies to the application, collection, change, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 321, Tax Code, to a municipality referred to the district and references to a governing body referred to the board.


Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.303. AUTHORIZATION; ELECTION. (a) The district may adopt a sales and use tax to serve the purposes of the district after an election in which a majority of the voters of the district voting
in the election authorize the adoption of the tax.

     (b) The board by order may call an election to authorize a
     sales and use tax. The election may be held with any other district
     election.

     (c) The district shall provide notice of the election and shall
     hold the election in the manner prescribed by Section 3879.212.

     (d) The ballots shall be printed to provide for voting for or
     against the proposition: "Authorization of a sales and use tax in
     the Harris County Improvement District No. 18 at a rate not to exceed
     _____ percent."

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.304. ABOLISHING SALES AND USE TAX. (a) Except as
provided by Subsection (b), the board may abolish the sales and use
tax without an election.

     (b) The board may not abolish the sales and use tax if the
district has outstanding debt secured by the tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

Sec. 3879.305. SALES AND USE TAX RATE. (a) On adoption of the
tax authorized by this subchapter, there is imposed a tax on the
receipts from the sale at retail of taxable items within the
district, and an excise tax on the use, storage, or other consumption
within the district of taxable items purchased, leased, or rented
from a retailer within the district during the period that the tax is
in effect.

     (b) The board shall determine the rate of the tax, which may be
in one-eighth of one percent increments not to exceed the maximum
rate authorized by the district voters at the election. The board
may lower the tax rate to the extent it does not impair any
outstanding debt or obligations payable from the tax.

     (c) The rate of the excise tax is the same as the rate of the
sales tax portion of the tax and is applied to the sales price of the
taxable item.
SUBCHAPTER H. HOTEL OCCUPANCY TAXES

Sec. 3879.351. HOTEL OCCUPANCY TAX. (a) In this section, "hotel" has the meaning assigned by Section 156.001, Tax Code.

(b) For purposes of this section, a reference in Chapter 351, Tax Code, to a municipality is a reference to the district and a reference in Chapter 351, Tax Code, to the municipality's officers or governing body is a reference to the board.

(c) Except as otherwise provided by this section, Subchapter A, Chapter 351, Tax Code, governs a hotel occupancy tax authorized by this section, including the collection of the tax.

(d) The district may impose a hotel occupancy tax and may use revenue from the tax for any district purpose that is an authorized use of hotel occupancy tax revenue under Chapter 351, Tax Code.

(e) The board by order may impose, repeal, increase, or decrease the rate of a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that:

   (1) is in a hotel located in the district's boundaries;
   (2) costs $2 or more each day; and
   (3) is ordinarily used for sleeping.

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

(g) The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

SUBCHAPTER I. MUNICIPAL ANNEXATION AND DISSOLUTION

Sec. 3879.401. MUNICIPAL ANNEXATION; DISSOLUTION. (a) Section 43.071, Local Government Code, applies to the district, and the district is a "water or sewer district" for purposes of that section.

(b) Section 43.075, Local Government Code, applies to the
district.

(c) Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 872 (S.B. 2510), Sec. 1, eff. June 19, 2009.

CHAPTER 3880. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 12
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3880.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Improvement District No. 12.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.002. NATURE OF DISTRICT. The Harris County Improvement District No. 12 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street
landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.
Sec. 3880.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3880.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven voting directors who serve staggered terms of four years, with three or four directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint the person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.
Sec. 3880.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors. Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

1. a board position vacant for any reason, including death, resignation, or disqualification;
2. a director who is abstaining from participation in a vote because of a conflict of interest; or
3. a nonvoting director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.056. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3880.101. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.102. NONPROFIT CORPORATION. (a) The board by
resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified person, including Harris County or the City of Houston, for the provision of law enforcement services in the district for a fee.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.105. APPROVAL BY THE CITY OF HOUSTON. (a) Except as provided by Subsection (c), the district must obtain the approval of
the City of Houston for:

(1) the issuance of bonds; and

(2) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway.

(b) The governing body of the City of Houston must provide the approval required by Subsection (a)(1) by adoption of a resolution or ordinance of the governing body of the City of Houston. The approval required by Subsection (a)(2) may be provided by an administrative process that does not involve the city's governing body.

(c) If the district obtains the approval of the governing body of the City of Houston of a capital improvements budget for a period not to exceed 10 years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.
Sec. 3880.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.109. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PUBLIC PARKING FACILITIES

Sec. 3880.151. PUBLIC TRANSIT SYSTEM. The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district may be leased to or operated on behalf of the district by an entity other than the district.
The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution.

The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.153. RULES. The district may adopt rules governing the district's public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PUBLIC PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating a public transit system or public parking facilities.

(b) The district may:
   (1) set, charge, impose, and collect fees, charges, or tolls for the use of the district's public transit system or public parking facilities; and
   (2) issue bonds or notes to finance the cost of the district's public transit system or public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 3880.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1,
Sec. 3880.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.203. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.204. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.
Sec. 3880.207. RESIDENTIAL PROPERTY. Section 375.161, Local Government Code, does not apply to a tax imposed by the district or a requirement for payment of a service provided by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.208. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3880.212, the district may impose an annual operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.209. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.210. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS. (a) The district may borrow money on terms and conditions as
determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.211. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.212. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3880.209.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of district bonds may be
included in one single proposition to be voted on at the election or the bonds may be submitted in several propositions.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.213. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the City of Houston is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.214. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.215. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED PROPERTY

Sec. 3880.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1,
Sec. 3880.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3880.251, the board must call and hold an election as provided by Section 3880.212 only in the defined area or in the boundaries of the designated property.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and by order shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

Sec. 3880.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3880.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.
Sec. 3880.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3880.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1084 (H.B. 4777), Sec. 1, eff. June 19, 2009.

CHAPTER 3881. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 13
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3881.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Improvement District No. 13.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.002. NATURE OF DISTRICT. The Harris County Improvement District No. 13 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

1. further the public purposes of developing and diversifying the economy of the state;
2. eliminate unemployment and underemployment; and
3. develop or expand transportation and commerce.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
4. provide for water, wastewater, drainage, road, and recreational facilities for the district.
(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;
3. right to impose or collect an assessment or tax; or
4. legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
3. an enterprise zone created under Chapter 2303, Government Code.
Sec. 3881.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3881.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.052. APPOINTMENT OF DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.
Sec. 3881.053. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chris Taylor</td>
</tr>
<tr>
<td>2</td>
<td>Leanne Ross</td>
</tr>
<tr>
<td>3</td>
<td>Ryan Sweeney</td>
</tr>
<tr>
<td>4</td>
<td>Shane Herzog</td>
</tr>
<tr>
<td>5</td>
<td>Terry Taylor</td>
</tr>
</tbody>
</table>

(b) Of the initial directors, the terms of directors appointed for positions 1 through 3 expire June 1, 2011, and the terms of directors appointed for positions 4 and 5 expire June 1, 2013.

(c) Section 3881.052 does not apply to this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

1. a board position vacant for any reason, including death, resignation, or disqualification;
2. a director who is abstaining from participation in a vote because of a conflict of interest; or
3. a nonvoting director.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.056. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local

Statute text rendered on: 6/18/2019 - 3303 -
Government Code, do not apply to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3881.101. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function.
or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified person, including Harris County or the City of Houston, for the provision of law enforcement services in the district for a fee.

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(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

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Sec. 3881.108.  NO EMINENT DOMAIN.  The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.109.  ANNEXATION OR EXCLUSION OF LAND.  (a)  The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

SUBCHAPTER D.  PUBLIC PARKING FACILITIES

Sec. 3881.151.  PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION.  (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district may be leased to or operated on behalf of the district by an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution.

(d) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose
even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.152. RULES. The district may adopt rules governing the district's public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.153. FINANCING OF PUBLIC PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating public parking facilities.

(b) The district may:

(1) set, charge, impose, and collect fees, charges, or tolls for the use of the district's public parking facilities; and

(2) issue bonds or notes to finance the cost of the district's public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 3881.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.
Sec. 3881.203. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County.

Sec. 3881.204. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of mailing notice.

Sec. 3881.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

2. are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.207. RESIDENTIAL PROPERTY. Section 375.161, Local Government Code, does not apply to:

(1) a tax imposed by the district; or

(2) any payment required by the district for a service provided by the district, including water and sewer services.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.
Sec. 3881.208. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3881.212, the district may impose an annual operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.209. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.210. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS. (a) The district may borrow money on terms and conditions as determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes,
assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations set forth in Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.211. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.212. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3881.209.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or sales and use tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements which may be acquired by a district by the issuance of its bonds may be included in one single proposition to be voted on at the election or the bonds may be submitted in several propositions.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.
Sec. 3881.213. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.214. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

**SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED PROPERTY**

Sec. 3881.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3881.251, the board must call and hold an election as provided by Section 3881.212 only in the defined area or in the boundaries of the designated property.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.
Sec. 3881.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and by order shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described in Section 3881.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

Sec. 3881.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3881.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

SUBCHAPTER G. MUNICIPAL ANNEXATION AND DISSOLUTION

Sec. 3881.301. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The district is a "water or sewer district" under Section 43.071, Local Government Code.

(b) Section 43.075, Local Government Code, applies to the
district.

(c) Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 247 (S.B. 2473), Sec. 1, eff. May 27, 2009.

CHAPTER 3882. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 14
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3882.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Improvement District No. 14.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.002. NATURE OF DISTRICT. The Harris County Improvement District No. 14 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street
landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.
Sec. 3882.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3882.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.052. APPOINTMENT OF DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.053. INITIAL VOTING DIRECTORS. (a) The initial
board consists of the following voting directors:

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<th>Pos. No.</th>
<th>Name of Director</th>
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<tbody>
<tr>
<td>1</td>
<td>Robbie Winston</td>
</tr>
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<td>2</td>
<td>David Loosley</td>
</tr>
<tr>
<td>3</td>
<td>Craig Young</td>
</tr>
<tr>
<td>4</td>
<td>Jeff Finn</td>
</tr>
<tr>
<td>5</td>
<td>Rachal Taylor</td>
</tr>
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</table>

(b) Of the initial directors, the terms of directors appointed for positions 1 through 3 expire June 1, 2011, and the terms of directors appointed for positions 4 and 5 expire June 1, 2013.

(c) Section 3882.052 does not apply to this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

1. a board position vacant for any reason, including death, resignation, or disqualification;
2. a director who is abstaining from participation in a vote because of a conflict of interest; or
3. a nonvoting director.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.056. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.
Sec. 3882.101. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Sec. 3882.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Sec. 3882.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.
Sec. 3882.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified person, including Harris County or the City of Houston, for the provision of law enforcement services in the district for a fee.

Sec. 3882.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 3882.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Sec. 3882.107. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership with the City of Houston pursuant to Section 43.0751, Local Government Code.
Sec. 3882.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Sec. 3882.109. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

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

SUBCHAPTER D. PUBLIC PARKING FACILITIES

Sec. 3882.151. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district may be leased to or operated on behalf of the district by an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution.

(d) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.
Sec. 3882.152. RULES. The district may adopt rules governing the district's public parking facilities.

Sec. 3882.153. FINANCING OF PUBLIC PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating public parking facilities.

(b) The district may:

(1) set, charge, impose, and collect fees, charges, or tolls for the use of the district's public parking facilities; and

(2) issue bonds or notes to finance the cost of the district's public parking facilities.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 3882.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 3882.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.
Sec. 3882.203. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.204. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of mailing notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.207. RESIDENTIAL PROPERTY. Section 375.161, Local Government Code, does not apply to a tax imposed by the district or a required payment for a service provided by the district, including water and sewer services.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.
Sec. 3882.208. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3882.212, the district may impose an annual operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.209. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.210. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS. (a) The district may borrow money on terms and conditions as determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money,
to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations set forth in Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.211. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.212. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3882.209.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or sales and use tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements which may be acquired by a district by the issuance of its bonds may be included in one single proposition to be voted on at the election or the bonds may be submitted in several propositions.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.213. COMPETITIVE BIDDING. Subchapter I, Chapter 49,
Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.214. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED PROPERTY

Sec. 3882.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3882.251, the board must call and hold an election as provided by Section 3882.212 only in the defined area or in the boundaries of the designated property.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.253. DECLARING RESULT AND ISSUING ORDER. (a) If a
majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and by order shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described in Section 3882.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

Sec. 3882.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3882.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

SUBCHAPTER G. MUNICIPAL ANNEXATION AND DISSOLUTION
Sec. 3882.301. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The district is a "water or sewer district" under Section 43.071, Local Government Code.

(b) Section 43.075, Local Government Code, applies to the district.
Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 246 (S.B. 2472), Sec. 1, eff. May 27, 2009.

CHAPTER 3883. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 15

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3883.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Harris County Improvement District No. 15.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.002. NATURE OF DISTRICT. The Harris County Improvement District No. 15 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.
This chapter and the creation of the district may not be interpreted to relieve Harris County from providing the level of services provided, as of the effective date of the Act enacting this chapter, to the area in the district. The district is created to supplement and not to supplant the county services provided in the area in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty;

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district; and

(5) provide for canals, waterways, bulkheads, docks, and other similar improvements or facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff.
Sec. 3883.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3883.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven voting directors who serve staggered terms of four years, with three or four directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.052. APPOINTMENT OF DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.
Sec. 3883.053. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dan Arnold</td>
</tr>
<tr>
<td>2</td>
<td>Kirk Pfeffer</td>
</tr>
<tr>
<td>3</td>
<td>David Dacote</td>
</tr>
<tr>
<td>4</td>
<td>Jim Casey</td>
</tr>
<tr>
<td>5</td>
<td>Steve Alvis</td>
</tr>
<tr>
<td>6</td>
<td>Gregory D. Compean</td>
</tr>
<tr>
<td>7</td>
<td>Ramon Garza</td>
</tr>
</tbody>
</table>

(b) Of the initial directors, the terms of directors appointed for positions 1 through 4 expire June 1, 2011, and the terms of directors appointed for positions 5 through 7 expire June 1, 2013.

(c) Section 3883.052 does not apply to this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

1. a board position vacant for any reason, including death, resignation, or disqualification;
2. a director who is abstaining from participation in a vote because of a conflict of interest; or
3. a nonvoting director.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.056. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by
Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3883.101. MARITIME IMPROVEMENT AND OPERATIONS POWERS. (a) In this section, "port authority" means the Port of Houston Authority of Harris County, Texas.

(b) Except as provided by this section, the district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district authorized by Section 59, Article XVI, Texas Constitution.

(c) The district may not exercise its powers in, over, under, or across any lands or submerged lands of the port authority, as conveyed by the State of Texas to the Harris County Houston Ship Channel Navigation District by Chapter 292, Acts of the 40th Legislature, Regular Session, 1927.

(d) The design, construction, operation, and maintenance of any improvements or facilities related to navigation of the area commonly known as the Houston Ship Channel or its tributaries, as described in Section 1, Chapter 97, Acts of the 40th Legislature, 1st Called Session, 1927, by the district, any owner of land in the district, or any other person acting by, through, or on behalf of the district or a person who owns land in the district, whether by permission, agency, agreement, lease, easement, license, or otherwise, must comply with the applicable rules, regulations, bylaws, and similar legislative or regulatory acts or policies of the port authority.

(e) Each rule, bylaw, or similar legislative or regulatory act or policy of the district is subject to any applicable rule, bylaw, or similar legislative or regulatory act or policy of the port authority. In case of any conflict or inconsistency, the port authority's rules, bylaws, or similar legislative or regulatory acts or policies control over the rules, bylaws, or similar legislative or regulatory acts or policies of the district.

(f) The rights, powers, privileges, and authority this chapter
confers on the district do not supersede or diminish the rights, powers, privileges, and authority of the port authority, the United States Army Corps of Engineers, or any other state or federal agency.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.102. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.103. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.104. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.
(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.105. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified person, including Harris County or the City of Houston, for the provision of law enforcement services in the district for a fee.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.108. STRATEGIC PARTNERSHIP AGREEMENT. The district
may negotiate and enter into a written strategic partnership with the City of Houston pursuant to Section 43.0751, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.109. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.110. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES**

Sec. 3883.151. PUBLIC TRANSIT SYSTEM. The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and
(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district may be leased to or operated on behalf of the district by an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution.

(d) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.153. RULES. The district may adopt rules governing the district's public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating a public transit system or public parking facilities.

(b) The district may:

(1) set, charge, impose, and collect fees, charges, or tolls for the use of the district's public transit system or parking facilities; and

(2) issue bonds or notes to finance the cost of the district's public transit system or parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 3883.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board
by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.203. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.204. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of mailing notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The
board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or
advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.207. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3883.211, the district may impose an annual operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.208. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.209. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS. (a) The district may borrow money on terms and conditions as determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a
bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations set forth in Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.210. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

Sec. 3883.211. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3883.208.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or sales and use tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements which may be acquired by a district by the issuance of its bonds may be included in one single proposition to be voted on at the election or the bonds may be submitted in several propositions.
Sec. 3883.212. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Sec. 3883.213. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED PROPERTY

Sec. 3883.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Sec. 3883.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3883.251, the board must call and hold an election as provided by Section 3883.211 only in the defined area or in the boundaries of the designated property.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election.
Sec. 3883.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and by order shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Sec. 3883.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described in Section 3883.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Sec. 3883.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3883.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.
Sec. 3883.301. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The district is a "water or sewer district" under Section 43.071, Local Government Code.

(b) Section 43.075, Local Government Code, applies to the district.

(c) Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 885 (S.B. 2531), Sec. 1, eff. June 19, 2009.

CHAPTER 3884. NORTH OAK CLIFF MUNICIPAL MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3884.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Dallas.
(3) "District" means the North Oak Cliff Municipal Management District.
(4) "Improvement project" means a project authorized by Section 3884.102:
   (A) inside the boundaries of the district; and
   (B) in areas outside but adjacent to the boundaries of the district if the project is for the purpose of extending public infrastructure improvements beyond the district's boundaries to a logical terminus.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of
Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, the public welfare in the district, and educational scholarships for college-bound students residing in or out of the district.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

- developing and diversifying the economy of the state;
- eliminating unemployment and underemployment;
- developing or expanding transportation and commerce;

and

- providing quality residential housing.

(d) The district will:

- promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
- provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide educational scholarships for college-bound students residing in or out of the district.
(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.
(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act creating this chapter, as that territory may have been modified under Section 3884.106.
(b) A mistake in the field notes of the district contained in Section 2 of the Act creating this chapter or in copying the field notes in the legislative process does not in any way affect:
(1) the district's organization, existence, or validity;
(2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;
(3) the district's right to impose or collect an assessment, tax, or any other revenue; or
(4) the legality or operation of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:
(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;

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

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

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project. A project may not receive public funds under Section 380.002(b), Local Government Code, unless the project has been approved by the governing body of the city by the adoption of a resolution.

(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(b), Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3884.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of nine directors composed of:

(1) six directors appointed by the governing body of the city under Subsections (b) and (c);

(2) one assistant city manager of the city, appointed by the city manager;

(3) the chief financial officer of the city; and

(4) the economic director of the city.

(b) Before the term of each director expires as provided by Subsection (d), the owner or owners of a majority of the appraised value of the real property in the district, or the majority of the record owners of real property in the district subject to taxation, may submit a petition to the governing body of the city requesting that the governing body appoint as successor directors the persons...
named in the petition. If the persons named in the petition meet the qualifications prescribed by Sections 3884.052 and 3884.053, the governing body may appoint those persons as successor directors. (c) If a petition is not submitted under Subsection (b), the governing body of the city shall appoint as successor directors persons who meet the qualifications prescribed by Sections 3884.052 and 3884.053. (d) Directors serve staggered terms of four years, with four or five directors' terms expiring July 1 of each odd-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.052. APPOINTMENT OF DIRECTORS; BOARD MEETINGS. (a) Directors appointed by the governing body of the city must meet at least one of the qualifications prescribed by Section 3884.053. (b) A person may not be appointed to the board by the governing body of the city if the appointment of that person would result in fewer than: (1) four of the directors being residents of the city and meeting the qualifications prescribed by Section 3884.053(a)(2), (3), (4), or (5); and (2) two of the directors meeting the qualifications prescribed by Section 3884.053(a)(1). (c) The governing body of the city may not appoint a person as a director if the appointment will result in more than four persons serving on the board at any time who are seeking financial assistance or reimbursement from the district for capital improvements in the district. (d) The governing body of the city may remove a member of the board with or without cause at any time by a majority vote. (e) The board shall hold meetings at a place accessible to the public. The board shall file a copy of the notice of a meeting with the city's secretary. The city's secretary shall post the notice at Dallas City Hall. (f) The board may not create an executive committee to exercise the powers of the board. (g) If an office described in Section 3884.051(a) is renamed, changed, or abolished, the governing body of the city may appoint
another city officer or employee who performs duties comparable to those performed by the officer described by that subsection.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.053. QUALIFICATIONS OF DIRECTORS APPOINTED BY CITY.
(a) To be qualified to serve as a director appointed by the governing body of the city, a person must be at least 18 years old and must be:

(1) a resident of the district who is also a registered voter of the district or a registered voter who lives within a two-mile radius of the district;

(2) an owner of property in the district;

(3) an owner of stock, whether beneficial or otherwise, of a corporate owner of property in the district;

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.054. VACANCY. The governing body of the city shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3884.051(a) or 3884.053 to serve for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.055. DIRECTOR'S OATH OR AFFIRMATION. A director's oath or affirmation of office shall be filed with the district and the district shall retain the oath or affirmation in the district records. A copy of each director's oath or affirmation of office shall be filed with the city's secretary.
Sec. 3884.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person concurrently.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.057. COMPENSATION; EXPENSES; LIABILITY INSURANCE FOR DIRECTORS. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation for each director in one year may not exceed $2,000.

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

(c) The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from any and all claims relating to:

1. actions taken by the director in the director's capacity as a member of the board;
2. actions and activities taken by the district; or
3. the actions of others acting on behalf of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.058. CONFLICTS OF INTEREST. (a) A director, including a director who qualifies under Section 3884.053(a)(2), (3), (4), or (5), may participate in all board votes and decisions if the director complies with the requirements of Subsection (b).

(b) A director shall comply with Section 171.004, Local Government Code, including the disclosure and abstention requirements of that section. A director must file a copy of the director's disclosure affidavit required by Section 171.004, Local Government Code, with the city's secretary before participating in a board
discussion or vote.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3884.101. GENERAL POWERS AND DUTIES. The district has the powers and duties provided by this chapter and by:

1. the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code;
2. Chapter 441, Transportation Code, except that:
   (A) the district may exercise any power granted by this chapter without regard to any provision or requirement of or procedure prescribed by Chapter 441, Transportation Code; and
   (B) the district may not build or operate a toll road;
3. Subchapter A, Chapter 372, Local Government Code, in the same manner as a municipality or a county;
4. Chapter 1371, Government Code;
5. Chapter 375, Local Government Code; and

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects located in the district or activities in support of or incidental to those projects:

1. a supply and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater collection facility;
2. a paved, macadamized, or graveled road or street, inside and outside the district, to the full extent authorized by Section 52, Article III, Texas Constitution;
3. the planning, design, construction, improvement, and maintenance of:
   (A) landscaping;
(B) highway right-of-way or transit corridor beautification and improvement;
(C) lighting, banners, and signs;
(D) a street or sidewalk;
(E) a hiking and cycling path or trail;
(F) a pedestrian walkway, skywalk, crosswalk, or tunnel;
(G) a park, lake, garden, recreational facility, community activities center, dock, wharf, sports facility, open space, scenic area, or related exhibit or preserve;
(H) a fountain, plaza, or pedestrian mall; or
(I) a drainage or storm-water detention improvement;
(4) protection and improvement of the quality of storm water that flows through the district;
(5) the planning, design, construction, improvement, maintenance, and operation of:
   (A) a water or sewer facility; or
   (B) an off-street parking facility or heliport;
(6) the planning and acquisition of:
   (A) public art and sculpture and related exhibits and facilities; or
   (B) an educational facility, and a cultural exhibit or facility;
(7) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
   (A) a conference, convention, or exhibition;
   (B) a manufacturer, consumer, or trade show;
   (C) a civic, community, or institutional event; or
   (D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;
(8) the removal, razing, demolition, or clearing of land or improvements in connection with improvement projects;
(9) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project if those costs are incurred in accordance with a development agreement and reimbursement of those costs is conditioned on the completion of substantial vertical development, or the costs are related to a transit or mobility project;
(10) the acquisition of property or an interest in property
in connection with one or more authorized improvement projects, including a project authorized by Subchapter A, Chapter 372, Local Government Code;

(11) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:

(A) advertising;
(B) promotion;
(C) tourism;
(D) health and sanitation;
(E) public safety;
(F) security;
(G) fire protection or emergency medical services;
(H) business recruitment;
(I) elimination of traffic congestion, including by use of rail services;
(J) recreational, educational, or cultural improvements, enhancements, and services; and
(K) creation and financing of a higher education scholarship fund for students attending Mountain View College or the University of North Texas Dallas Campus; or

(12) any similar public improvement, facility, or service.

(b) The district may not undertake an improvement project under this section unless the board determines the project to be necessary to accomplish a public purpose of the district and has received the approval of the city under Section 3884.160.

(c) An improvement project must comply with any applicable codes and ordinances of the city.

(d) The district may not provide, conduct, or authorize an improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

(e) Subject to an agreement between the district and the city, the city may:

(1) by ordinance, order, or resolution require that title to all or any portion of an improvement project vest in the city; or
(2) unless prohibited by Subsection (h), by ordinance, order, resolution, or other directive, authorize the district to own, encumber, maintain, and operate an improvement project, subject to the right of the city to order a conveyance of the improvement...
project to the city on a date determined by the city.

(f) The district shall immediately comply with any city ordinance, order, or resolution adopted under Subsection (e).

(g) For the purposes of this section, planning, design, construction, improvement, and maintenance of a lake includes work done for drainage, reclamation, or recreation.

(h) Waterworks and sanitary sewer improvements may be undertaken by the district inside or outside the boundaries of the district, subject to the following conditions:

(1) the city shall request that waterworks or sanitary sewer improvements be funded by the district;

(2) the city shall construct, own, operate, and maintain the improvements; and

(3) the district shall comply with Sections 3884.152, 3884.157, and 3884.160 as a condition for the district to fund the improvements.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.103. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) contract with any person to accomplish any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of any improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.
(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including a negotiable or nonnegotiable note or warrant payable to the city, Dallas County, or any other person.

(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

(d) The district must follow Resolution 08-2826, adopted by the city on October 22, 2008, for construction, procurement, and professional services contracts related to the use of historically underutilized businesses and minority contracting in the implementation of its district plan.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.104. RULES; ENFORCEMENT. (a) The district may adopt rules:

1. to administer or operate the district;
2. for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities;
3. to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

(c) To the extent a district rule conflicts with a city rule, order, or regulation, the city rule, order, or regulation controls.

(d) The district shall provide the city with written notice not later than the 30th day before the date of a meeting at which the board will adopt rules. The district may not adopt a rule affecting the use of a municipally owned asset, such as a public park, street, sidewalk, transit facility, or public right-of-way, unless the governing body of the city has approved the rule by ordinance, order, or resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.105. NAME CHANGE. The board by resolution may change
the district's name. The board shall give written notice of the change to the city.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.106. ADDING OR REMOVING TERRITORY. The board may add or remove territory under Subchapter J, Chapter 49, Water Code, and Section 54.016, Water Code, except that:

(1) the addition or removal of the territory must be approved by:
   (A) the governing body of the city by ordinance, order, or resolution; and
   (B) the owners of the territory being added or removed;
(2) a reference to a tax in Subchapter J, Chapter 49, Water Code, or Section 54.016, Water Code, means an ad valorem tax; and
(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes or assessments levied or assessed on the territory are outstanding.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.107. ECONOMIC DEVELOPMENT. (a) The district may create economic development and other programs under Section 52-a, Article III, Texas Constitution, and may impose and collect ad valorem taxes for those purposes. The district has the economic development powers that Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000. Each economic development program and each project that will receive public funds under an economic development program must be approved by the governing body of the city by ordinance, order, or resolution.

(b) The district shall provide the city written notice not later than the 30th day before the date of a meeting at which the board will adopt terms of an economic development program. The district may not adopt an economic development program or improvement project to be funded under an economic development program unless the governing body of the city has approved the program or improvement
Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.108. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.109. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary. An employee may not receive annual compensation of more than $150,000 from public funds of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.110. NOTICE TO PROPERTY OWNERS. (a) The board shall annually provide owners of real property in the district written notice that specifies the tax of the district for the district's next fiscal year in sufficient clarity to describe the tax rate for the operation and maintenance of the district and the tax rate for the payment of debt service of obligations issued or incurred by the district. The written notice must be sent by first class United States mail, postage prepaid, to the current address of the property owner as reflected on the tax rolls of the appraisal district.

(b) The notice must clearly state that the tax rates on real property imposed in the district are in addition to the ad valorem taxes imposed by other taxing units that tax real property in the boundaries of the district.

(c) The district shall generate and implement a program to provide notification to a prospective purchaser of property in the district of the rates of tax and assessments that have been approved and are imposed by the district.
Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 3884.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. (a) Except as provided by Section 3884.160, the district may:

(1) impose an ad valorem tax on all taxable industrial and commercial property in the district to pay for any improvement projects of the types authorized by Section 52(b), Article III, and Section 59, Article XVI, Texas Constitution, and to secure the payment of bonds issued for those purposes;

(2) impose an assessment on property in the district to pay the cost of any authorized improvement project and the cost of the maintenance of the project in the manner provided for:

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

(B) a municipality or county under Subchapter A, Chapter 372, Local Government Code;

(3) provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person, the costs and expenses of the establishment, administration, and operation of the district, and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by or through:

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

(B) any other revenue or resources of the district, or other revenue authorized by the city, including revenue from a tax increment reinvestment zone created by the city under applicable law;

(4) establish user charges related to the operation of storm-water facilities, including the regulation of storm water for the protection of water quality in the district;

(5) establish user charges for the use of nonpotable water for irrigation purposes, subject to the approval of the governing body of the city;

(6) undertake separately or jointly with other persons, including the city or Dallas County, all or part of the cost of any improvement project, including an improvement project:
(A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or 

(B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and 

(7) enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities.

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

(1) at least 65 percent of the record owners of real property in the district subject to taxation; or

(2) owners representing at least 65 percent of the appraised value of real property in the district subject to taxation, as determined by the tax rolls of the appraisal district.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.152. BORROWING MONEY. (a) The district may borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for any district purpose. The bond, note, credit agreement, or other obligation may be secured by and payable from ad valorem taxes, assessments, a combination of ad valorem taxes and assessments, or other district revenue. The governing body of the city must approve the issuance of bonds, notes, credit agreements, or other obligations of the district, in general terms before the preparation of preliminary official statements or loan closing documents, as provided by the development and operating agreement approved by the city in accordance with Section 3884.160, or by separate action.

(b) The governing body of the city must approve the final terms
of the bond issuance, note, or credit facility, including the principal amount, note amount, interest rate or rates, redemption provisions, and other terms and conditions relating to the issuance.

(c) The district shall file annual audited financial statements with the city's secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.153. ASSESSMENTS; EXEMPTION. (a) The district may impose an assessment on property in the district, including an assessment on commercial, industrial, or office property, only in the manner provided by Subchapter A, Chapter 372, Local Government Code, or Subchapter F, Chapter 375, Local Government Code, for a municipality, county, or public improvement district, according to the benefit received by the property.

(b) An assessment on property must be for the limited purpose of providing capital funding for:
(1) public water and wastewater facilities;
(2) drainage and storm-water facilities;
(3) streets and alleys; and
(4) any authorized purpose under Chapter 372, Local Government Code.

(c) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:
(1) are a first and prior lien against the property assessed; and
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(d) A lien of an assessment against property under this chapter runs with the land, and the portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien. Any purchaser of property in a foreclosure of an ad valorem tax lien takes the property subject to the assessment payment obligations that have not yet come due and to
the lien and terms of payment under the applicable assessment ordinance or order.

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

(f) The district shall file notice of any tax or assessment imposed by the district with the county clerk of Dallas County and post the notice on the district's Internet website.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.154. RESIDENTIAL PROPERTY EXEMPT. The district may not impose taxes, assessments, fees, or any other requirement for payment, construction, alteration, or dedication on single-family detached residential property, residential condominiums, duplexes, triplexes, and quadruplexes.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.155. MAINTENANCE AND OPERATION TAX; ELECTION. (a) The district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses, including expenses of the city payable under the terms of the project development agreement described by Section 3884.160.

(b) The district may not impose a maintenance and operation tax for improvement projects under this chapter unless the imposition of the tax is approved by the voters of the district voting at an election held for that purpose. An election may be called only on receipt of a petition as provided by Section 3884.151(b).

(c) A maintenance and operation tax election may be held at the
same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.156. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.157. BONDS AND OTHER OBLIGATIONS. (a) Subject to the requirements of Sections 3884.159 and 3884.160, the district may issue by public or private sale bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, or by assessments in the manner provided by Subchapter A, Chapter 372, Local Government Code, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or any other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, Local Government Code, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from system or improvement project revenue or from any other source, including revenue received by the district under Chapter 311, Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 763 (H.B. 1651), Sec. 1, eff. September 1, 2011.
Sec. 3884.158. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.160. DEVELOPMENT AND OPERATING AGREEMENT REQUIRED. (a) After the district's board is organized, but before the district may undertake any improvement project, issue bonds, impose taxes, levy assessments or fees, or borrow money, the district and the city must negotiate and execute a mutually approved and accepted development and operating agreement, including any limitations imposed by the city, regarding the plans and rules for:

(1) the exercise of the powers granted to the district under this chapter, including the organization, development, and operation of the district;

(2) the selection and description of improvement projects that may be undertaken and financed by the district and the ownership, operation, and maintenance of those projects;

(3) the terms, conditions, methods, means, and amounts of
financing authorized by this chapter that the district may use in providing improvement projects; and

(4) the amounts, methods, and times of reimbursement to the city for costs and expenses, if any, incurred by the city with respect to the development and operation of the district and the financing of improvement projects by the district.

(b) An agreement authorized by this section is not effective until its terms and execution are approved by the board and the governing body of the city by resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. DISSOLUTION

Sec. 3884.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

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

(c) The city may not dissolve the district until the agreement under Section 3884.160 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.253. CONCURRENCE ON ADDITIONAL POWERS. If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city consents to that change by resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

Sec. 3884.254. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 866 (S.B. 2501), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. DEFINED AREAS

Sec. 3884.301. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. As provided by this subchapter, the district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2011, 82nd Leg., R.S., Ch. 763 (H.B. 1651), Sec. 2, eff. June 19, 2009.
Sec. 3884.302. PROCEDURE TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The board may adopt an order establishing one or more defined areas or designating property under Section 3884.301. The order must describe each defined area by metes and bounds or designate the specific property.

Added by Acts 2011, 82nd Leg., R.S., Ch. 763 (H.B. 1651), Sec. 2, eff. September 1, 2011.

Sec. 3884.303. TAX OR BOND ELECTION. Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3884.302, the board shall hold an election in the defined area or in the boundaries of the designated property.

Added by Acts 2011, 82nd Leg., R.S., Ch. 763 (H.B. 1651), Sec. 2, eff. September 1, 2011.

Sec. 3884.304. DECLARING RESULT. If a majority of the voters voting at the election approve the imposition of the tax or the issuance of the bonds, the board shall declare the results.

Added by Acts 2011, 82nd Leg., R.S., Ch. 763 (H.B. 1651), Sec. 2, eff. September 1, 2011.

Sec. 3884.305. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On adoption of the order described by Section 3884.302 and voter approval under Section 3884.303, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.
Sec. 3884.306. ISSUANCE OF BONDS AND IMPOSITION OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After adoption of the order described by Section 3884.302 and voter approval under Section 3884.303, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2011, 82nd Leg., R.S., Ch. 763 (H.B. 1651), Sec. 2, eff. September 1, 2011.

CHAPTER 3885. MUSTANG RANCH MUNICIPAL MANAGEMENT DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3885.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Celina, Texas.
(3) "County" means Collin County, Texas.
(4) "Development agreement" means the development agreement between the city and Celina 682 Partners, L.P., initially effective June 11, 2007.
(5) "Director" means a board member.
(6) "District" means the Mustang Ranch Municipal Management District No. 1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The
creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

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

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.
(e) The district will:
   (1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
   (2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
   (3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2.02 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2.02 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to contract;
   (3) authority to borrow money or issue bonds or other obligations described by Section 3885.253 or to pay the principal and interest of the bonds or other obligations;
   (4) right to impose or collect an assessment, or collect other revenue; or
   (5) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01,
Sec. 3885.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:
(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.
(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:
(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and
(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3885.253.
(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter...
shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

SUBCHAPTER B.  BOARD OF DIRECTORS

Sec. 3885.051.  GOVERNING BODY; TERMS.  (a) The district is governed by a board of five directors composed of:

(1) two directors appointed by the governing body of the city;
(2) one director appointed by the governing body of the city who is an employee of the Prosper Independent School District;
(3) the city manager; and
(4) the city's chief financial officer.

(b) An appointed director serves a term of four years.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.052.  QUALIFICATIONS OF DIRECTOR.  (a) Section 375.063, Local Government Code, does not apply to a director employed by the city or the Prosper Independent School District.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.053.  VACANCY.  The governing body of the city shall appoint a director to fill a vacancy on the board for the remainder of the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.054.  DIRECTOR'S OATH OR AFFIRMATION.  A director shall file the director's oath or affirmation of office with the
district, and the district shall retain the oath or affirmation in the district records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.055. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.056. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $150 for each board meeting.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.057. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures the directors against personal liability and from all claims for actions taken as directors or actions and activities taken by the district or by others acting on its behalf.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.058. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3885.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.104. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.
Sec. 3885.106. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Sec. 3885.107. EMERGENCY SERVICES. (a) This section applies only to territory in the district:
(1) that is in the extraterritorial jurisdiction of the city;
(2) for which a plat has been filed; and
(3) that includes 100 or more residents.
(b) To protect the public interest, the district shall provide or contract with a qualified party to provide emergency services, including law enforcement, fire, and ambulance services, in the territory described by Subsection (a).

Sec. 3885.108. AMENDMENT OF DEVELOPMENT AGREEMENT. The parties to the development agreement may amend the agreement as necessary to accomplish the purposes of the district.

Sec. 3885.109. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.
(b) The district may establish and provide for the administration of one or more programs to promote state or local
economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.111. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3885.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.
Sec. 3885.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project:

(1) is necessary to accomplish a public purpose of the district; and

(2) complies with the development agreement or the parties to the development agreement agree to the project, in writing.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.154. CITY REQUIREMENTS. (a) An improvement project in the city must comply with any applicable requirements of the city, including codes and ordinances, that are consistent with the development agreement.

(b) The district may not provide, conduct, or authorize any improvement project on the city's streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.155. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code; or

(2) Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.
Sec. 3885.156. CONTRACTS. A contract to design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project is considered a contract for a good or service under Subchapter I, Chapter 271, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3885.201. DIVISION OF DISTRICT; PREREQUISITE. The district may be divided into two or more new districts only if the district has no outstanding bonded debt.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.202. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.203. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by an owner of real property in the district, may adopt an order proposing to divide the district.

(b) The board may not divide the district unless the division is approved by the governing body of the city by resolution. The resolution may set terms for the division under Subsection (c).

(c) If the board decides to divide the district, the board shall, subject to the city's resolution:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations;

(2) prepare a metes and bounds description for each
proposed district; and
(3) appoint initial directors for each new district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.204. NOTICE AND RECORDING OF ORDER. Not later than the 30th day after the date of an order dividing the district, the district shall:
(1) file the order with the Texas Commission on Environmental Quality; and
(2) record the order in the real property records of the county in which the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.205. CONTRACT AUTHORITY OF NEW DISTRICTS. (a) Except as provided by Subsection (b), the new districts may contract with each other for any matter the boards of the new districts consider appropriate.
(b) The new districts may not contract with each other for water and wastewater services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS
Sec. 3885.251. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.252. MONEY USED FOR IMPROVEMENTS OR SERVICES. The
district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.253. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose without holding an election by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract or other agreement payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):
(1) may bear interest at a rate determined by the board; and
(2) may include a term or condition as determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.254. DEVELOPMENT AGREEMENT. Before the district borrows money or issues an obligation under Section 3885.253, the city must provide written certification to the district that no party to the development agreement is in default as of the date the district is authorized to borrow the money or enter the obligation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.255. ASSESSMENTS. (a) Except as provided by Subsection (b), the district may impose an assessment on property in the district to pay for an obligation described by Section 3885.253 in the manner provided for:
(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or
(2) a municipality or county under Subchapter A, Chapter...

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.256. NOTICE OF ASSESSMENTS. (a) The board shall annually file written notice with the secretary of the city that specifies the assessments the district will impose in the district's next fiscal year in sufficient clarity to describe the assessments for the operation and maintenance of the district and the assessments for the payment of debt service of obligations issued or incurred by the district.

(b) The board shall annually record in the deed records of the county a current assessment roll approved by the governing body of the city.

(c) The assessment roll must clearly state that the assessments in the assessment roll are in addition to the ad valorem taxes imposed by other taxing units that tax real property in the district.

(d) The district shall generate and implement a program to provide notification to a prospective purchaser of property in the district of the assessments that have been approved and are imposed by the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.257. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.258. NO IMPACT FEES. The district may not impose an impact fee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01,
Sec. 3885.259. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

SUBCHAPTER F. DISSOLUTION

Sec. 3885.301. DISSOLUTION BY CITY. (a) The city may dissolve the district by ordinance.

(b) The city may not dissolve the district until:
   (1) the district's outstanding debt or contractual obligations have been repaid or discharged; or
   (2) the city agrees to succeed to the rights and obligations of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

Sec. 3885.302. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

(a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:
   (1) the bonds or other obligations when due and payable according to their terms; or
   (2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.
Sec. 3885.303. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 2.01, eff. September 1, 2011.

CHAPTER 3886. PROSPER MANAGEMENT DISTRICT No. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3886.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Prosper Management District No. 1.
(4) "Improvement project" means any program or project authorized by Section 3886.103, inside or outside the district.
(5) "Town" means the Town of Prosper, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.002. NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a
The creation of the district is in the public interest and is essential to:

1. Further the public purposes of developing and diversifying the economy of the state;
2. Eliminate unemployment and underemployment; and
3. Develop or expand transportation and commerce.

The district will:

1. Promote the health, safety, and general welfare of residents, employers, employees, potential employees, visitors, and consumers in the district, and of the public;
2. Provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
3. Promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

This chapter and the creation of the district may not be interpreted to relieve the town, Collin County, or Denton County from providing the level of services provided as of the effective date of the Act creating this chapter to the area in the district. The district is created to supplement and not to supplant the town and county services provided in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.
is initially composed of the territory described by Section 2 of the Act creating this chapter.

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

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.005. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created by the town under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created by the town under Chapter 312, Tax Code; or
3. an enterprise zone created by the town under Chapter 2303, Government Code.

(b) If the town creates a tax increment reinvestment zone, tax abatement reinvestment zone, or enterprise zone under Subsection (a), the town and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes described by Section 380.002(b), Local Government Code, for money granted to a corporation under that section, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.
Sec. 3886.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms, with the terms of two or three directors expiring on June 1 of each odd-numbered year.

(c) The governing body of the town, by a majority vote, shall appoint one member of the board.

(d) The board shall recommend to the governing body of the town persons to serve in the other four positions. The board shall recommend to the governing body of the town the appropriate number of successor directors before the terms of directors appointed under this subsection expire. After reviewing the recommendations, the governing body shall approve or disapprove the directors recommended by the board. If the governing body is not satisfied with the recommendations submitted by the board, the board, on the request of the governing body, shall submit additional recommendations.

(e) Board members may serve successive terms.

(f) If any provision of Subsection (c), (d), or (e) is found to be invalid, the Texas Commission on Environmental Quality shall appoint the board from recommendations submitted by the preceding board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.052. ELIGIBILITY. Except for a director appointed as provided by Section 3886.051(c) or 3886.056(a), to be eligible to serve as a director a person must own land in the district. Section 49.052, Water Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.053. VACANCY. (a) The remaining directors shall fill a vacancy on the board by appointing a person who is eligible under Section 3886.052.

(b) If there are fewer than three directors, the governing body of the town shall appoint the necessary number of directors to fill all board vacancies.
Sec. 3886.054. DIRECTOR'S OATH AND AFFIRMATION. A director's oath and affirmation of office shall be filed with the district, and the district shall retain the oath and affirmation in the district records.

Sec. 3886.055. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3886.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3886.102. MUNICIPAL MANAGEMENT DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general laws of this state, including Chapter 375, Local Government Code, as applicable to municipal management districts created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district shall make available a district water or wastewater facility to each person who holds a certificate of convenience and necessity under Chapter 13, Water Code, for land in the district.

(c) The district may not provide retail water or wastewater services.
Sec. 3886.103. IMPROVEMENT PROJECTS. (a) Subject to Sections 3886.102(b) and (c), the district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects located in the district or activities in support of or incidental to those projects:

(1) a supply and distribution facility or system to provide potable and town-approved nonpotable water to the residents and businesses of the district, including a wastewater collection facility;

(2) a paved road, street, or turnpike, inside and outside the district, to the extent authorized by Section 52, Article III, Texas Constitution;

(3) the planning, design, construction, improvement, and maintenance of:

   (A) landscaping;

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

   (C) lighting, banners, and signs;

   (D) a street or sidewalk;

   (E) a hiking and cycling path or trail;

   (F) a pedestrian walkway, skywalk, crosswalk, or tunnel;

   (G) a park, lake, garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve;

   (H) a fountain, plaza, or pedestrian mall; or

   (I) a drainage or storm-water detention improvement;

(4) protection and improvement of the quality of storm water that flows through the district;

(5) the planning, design, construction, improvement, maintenance, and operation of:

   (A) a water or sewer facility; or

   (B) an off-street parking facility or heliport;

(6) the planning and acquisition of:

   (A) public art and sculpture and related exhibits and facilities; or

   (B) an educational and cultural exhibit or facility;
(7) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
   (A) a conference, convention, or exhibition;
   (B) a manufacturer, consumer, or trade show;
   (C) a civic, community, or institutional event; or
   (D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;
(8) the removal, razing, demolition, or clearing of land or improvements in connection with improvement projects;
(9) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project;
(10) the acquisition of property or an interest in property in connection with an authorized improvement project;
(11) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:
   (A) advertising;
   (B) promotion;
   (C) tourism;
   (D) health and sanitation;
   (E) public safety;
   (F) security;
   (G) fire protection or emergency medical services;
   (H) business recruitment;
   (I) development;
   (J) elimination of traffic congestion; and
   (K) recreational, educational, or cultural improvements, enhancements, and services; or
(12) any similar public improvement, facility, or service.

(b) Subject to Section 3886.104, the district may not undertake an improvement project under this section unless the board determines the project to be necessary to accomplish a public purpose of the district.

(c) An improvement project must comply with any applicable town requirements, including codes and ordinances and any planned development ordinance applicable to land in the district.

(d) The district may not provide, conduct, or authorize an
improvement project on the town streets, highways, rights-of-way, or easements without the consent of the governing body of the town.

(e) Subject to an agreement between the district and the town, the town may:

(1) by ordinance, order, or resolution require that title to all or any portion of an improvement project vest in the town; or

(2) by ordinance, order, resolution, or other directive, authorize the district to own, encumber, maintain, and operate an improvement project, subject to the right of the town to order a conveyance of the improvement project to the town on a date determined by the town, provided, however, that if an improvement project is conveyed to the town, the improvement project will continue to be used to serve land in the district.

(f) The district shall immediately comply with any town ordinance, order, or resolution adopted under Subsection (e).

(g) For the purposes of this section, planning, design, construction, improvement, and maintenance of a lake includes work done for drainage, reclamation, or recreation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.104. PROJECT DEVELOPMENT AGREEMENT REQUIRED. Before the district may issue bonds, impose taxes, or borrow money, the district and the town must negotiate and execute a mutually approved and accepted interlocal project development agreement regarding the district's development plans and rules for:

(1) the development and operation of the district; and

(2) the financing of improvement projects.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.105. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) contract with any person to accomplish any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or
part of the costs of any improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including a negotiable or nonnegotiable note or warrant payable to the town, Collin County, Denton County, or any other person.

(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

(d) The governing body of the town must approve a contract payable from ad valorem taxes for a period longer than one year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.106. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district;
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or
(3) to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

(c) To the extent a district rule conflicts with a town rule, order, or regulation, the town rule, order, or regulation controls.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1,
Sec. 3886.107. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to the town.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.108. ADDING OR REMOVING TERRITORY. The board may add or remove territory under Subchapter J, Chapter 49, Water Code, and Section 54.016, Water Code, except that:

1. the addition or removal of the territory must be approved by:
   (A) the governing body of the town; and
   (B) the owners of the territory being added or removed;
2. a reference to a tax in Subchapter J, Chapter 49, Water Code, or Section 54.016, Water Code, means an ad valorem tax; and
3. territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes on the territory are outstanding.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.109. ECONOMIC DEVELOPMENT. The district may create economic development programs and exercise the economic development powers that Chapter 1509, Government Code, provides for a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1,
Sec. 3886.111. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3886.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxes.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.152. BORROWING MONEY. The district may borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for a district purpose. A note, bond, credit agreement, or other obligation must be secured by and payable from ad valorem taxes, assessments, or any other district revenue.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.
Sec. 3886.153. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 3886.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code. (b) Except as provided by Subsection (c), the district may impose the tax for operation and maintenance purposes, including for: (1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and (2) paying costs of services, engineering and legal fees, and organization and administrative expenses. (c) The district may not impose an operation and maintenance tax unless the maximum rate of the tax is approved by the governing body of the town and a majority of the voters of the district voting at an election held for that purpose. If the maximum tax rate is approved, the board may impose the tax at any rate that does not exceed the approved rate. (d) An operation and maintenance tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order. Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.154. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may make payments under a contract from taxes other than operation and maintenance taxes after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose. (b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval. Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS
Sec. 3886.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, sales and use taxes, revenue from a zone created under Chapter 311 or 312, Tax Code, or Chapter 2303, Government Code, other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.202. TAXES FOR BONDS. (a) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of an ad valorem tax, without limit as to rate or amount, as required by Section 54.601, Water Code.

(b) The board shall annually impose the tax while all or part of the bonds are outstanding. Sections 54.601 and 54.602, Water Code, govern the amount and rate of the tax.

(c) The district annually shall impose the tax on all taxable property in the district in an amount sufficient to:

1. pay the interest on the bonds or other obligations as the interest becomes due;
2. create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
3. pay the expenses of imposing the tax.

(d) The district may not issue bonds or other obligations that are secured by and payable from ad valorem taxes unless the bonds and the imposition of taxes are approved by:

1. a majority of the district voters voting at an election for that purpose; and
2. the governing body of the town.

(e) The district shall hold an election required by this section in the manner provided by Chapter 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.
Sec. 3886.203. BOND ISSUANCE PLAN REQUIRED BEFORE ISSUING BONDS. The district may not issue bonds until the governing body of the town approves a bond issuance plan authorizing and prescribing the limitations on the issuance of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.204. BOND MATURITY. Bonds must mature not more than 40 years from their date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.205. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

**SUBCHAPTER F. DISSOLUTION**

Sec. 3886.251. DISSOLUTION BY TOWN ORDINANCE. (a) The town by ordinance may dissolve the district.

(b) The town may not dissolve the district until the district's outstanding indebtedness or contractual obligations that are payable from ad valorem taxes have been repaid or discharged.

(c) The town may not dissolve the district until the agreement under Section 3886.104 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

(d) The town may not dissolve the district before December 31, 2016.

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.
Sec. 3886.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the town shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

Sec. 3886.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the town dissolves the district, the town assumes the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1077 (H.B. 4752), Sec. 1, eff. September 1, 2009.

CHAPTER 3887. GUADALUPE COUNTY DEVELOPMENT AND MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3887.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "County" means Guadalupe County.

(3) "District" means the Guadalupe County Development and Management District.

(4) "Improvement project" means a program or project authorized by Section 3887.102, inside or outside the boundaries of the district.
Sec. 3887.002. CREATION AND NATURE OF DISTRICT. (a) The district is a special district created under Section 59, Article XVI, Texas Constitution, with all of the powers granted by this chapter.  
(b) The district is a governmental unit for the purposes of Chapter 101, Civil Practice and Remedies Code, and operations of the district are considered to be essential governmental functions and not proprietary functions for all purposes, including the application of that chapter.

Sec. 3887.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.  By creating the district and in authorizing political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.  
(b) The creation of the district is necessary to promote, develop, and protect the environment and the other natural resources of the state, and to encourage and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.  
(c) This chapter and the creation of the district may not be interpreted to relieve the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district.  The district is created to supplement and not to supplant county services provided in the district.
Sec. 3887.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) providing quality residential housing;
(4) developing or expanding transportation and commerce; and
(5) improving and enhancing the environment in and around the district and in the county.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty and enhancing and improving the environment as an essential natural resource of the state.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1,

Sec. 3887.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under Section 3887.107 or other law.

(b) A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect:

1. the district's organization, existence, or validity;
2. the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;
3. the district's right to impose or collect an assessment, tax, or any other revenue; or
4. the legality or operation of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) If all or any part of the district is annexed into a municipality, any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created by the municipality under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created by the municipality under Chapter 312, Tax Code; or
3. an enterprise zone created by the municipality under Chapter 2303, Government Code.

(b) If a municipality creates a tax increment reinvestment zone described by Subsection (a), the municipality, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3887.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring July 1 of each odd-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.052. ELECTION DATE. The board shall hold elections for directors on the uniform election date in May of odd-numbered years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.053. VACANCY. The board of directors shall appoint a director to fill a vacancy on the board for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.054. ELIGIBILITY. (a) To serve as a director, a person must be at least 18 years old and be:
(1) a resident of the district who is also a registered voter of the district;
(2) an owner of property in the district;
(3) an owner of stock, whether beneficial or otherwise, of a corporate owner of property in the district;
(4) an owner of a beneficial interest in a trust that owns property in the district;
(5) an agent, employee, or tenant of a person covered by Subdivision (2), (3), or (4); or
(6) an initial director.
(b) Section 49.052, Water Code, does not apply to the district.
Sec. 3887.055. DIRECTOR'S OATH OR AFFIRMATION. A director's oath or affirmation of office shall be filed with the district, and the district shall retain the oath or affirmation in the district records.

Sec. 3887.056. OFFICERS. The board shall elect from among the directors a presiding officer, an assistant presiding officer, and a secretary.

Sec. 3887.057. COMPENSATION, EXPENSES, AND LIABILITY INSURANCE FOR DIRECTORS. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation for one director may not exceed $2,000 annually.

(b) The district shall reimburse directors for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director.

(c) The district may obtain and pay for comprehensive general liability insurance coverage from commercial insurance companies or other sources that protect and insure the directors against personal liability and from any and all claims for actions taken as directors or actions and activities taken by the district or by others acting on the district's behalf.

Sec. 3887.058. CONFLICTS OF INTEREST. (a) A director may participate in all board votes and decisions, subject to the
requirements of this section.

(b) Section 171.004, Local Government Code, does not apply to the district.

(c) A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(d) After the affidavit is filed, the director may participate in a discussion or vote if:
   (1) a majority of the appointed directors have a similar interest in the same entity;
   (2) all other similar businesses or charitable entities in the district will receive a similar pecuniary benefit; or
   (3) the appointed director is a property owner in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3887.101. GENERAL POWERS AND DUTIES. The district has the duties imposed by this chapter and the powers:

(1) provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code;

(2) provided by the general laws relating to road districts and road utility districts created under Section 52, Article III, Texas Constitution, including Chapter 441, Transportation Code, except that the district may exercise any power granted by this chapter without regard to any provision or requirement of or procedure prescribed in Chapter 441, Transportation Code;

(3) that Subchapter A, Chapter 372, Local Government Code, provides a municipality or a county;

(4) provided by Chapter 375, Local Government Code;

(5) that Chapter 505, Local Government Code, provides a corporation created under that chapter; and

(6) that Chapter 1371, Government Code, provides an issuer.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1,
Sec. 3887.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects or activities in support of or incidental to those projects:

(1) a supply and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater collection facility;

(2) a paved, macadamized, or graveled road or street inside and outside the district, to the full extent authorized by Section 52, Article III, Texas Constitution;

(3) the planning, design, construction, improvement, and maintenance of:
   (A) landscaping;
   (B) highway right-of-way or transit corridor美化 and improvement;
   (C) lighting, banners, and signs;
   (D) a street or sidewalk;
   (E) a hiking and cycling path or trail;
   (F) a pedestrian walkway, skywalk, crosswalk, or tunnel;
   (G) a park, lake, garden, recreational facility, community activities center, dock, wharf, sports facility, open space, scenic area, or related exhibit or preserve;
   (H) a fountain, plaza, or pedestrian mall; or
   (I) a drainage or storm-water detention improvement;

(4) protection and improvement of the quality of storm water that flows through the district;

(5) the planning, design, construction, improvement, maintenance, and operation of:
   (A) a water or sewer facility; or
   (B) an off-street parking facility or heliport;

(6) the planning and acquisition of:
   (A) public art and sculpture and related exhibits and facilities; or
   (B) an educational facility and a cultural exhibit or facility;

(7) the planning, design, construction, acquisition, lease,
rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:

(A) a conference, convention, or exhibition;
(B) a manufacturer, consumer, or trade show;
(C) a civic, community, or institutional event; or
(D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;

(8) the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project;
(9) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project;
(10) the acquisition of property or an interest in property in connection with an authorized improvement project, including any project or projects that are authorized by Subchapter A, Chapter 372, or Chapter 375, Local Government Code;
(11) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety or the environment in or adjacent to the district, including:
   (A) advertising;
   (B) promotion;
   (C) tourism;
   (D) health and sanitation;
   (E) public safety;
   (F) security;
   (G) fire protection or emergency medical services;
   (H) business recruitment;
   (I) development;
   (J) the reduction of automobile traffic volume and congestion, including the provision, construction, and operation of light rail or streetcar systems and services; and
   (K) recreational, educational, or cultural improvements, enhancements, and services; or
(12) any similar public improvement, facility, or service.

(b) The district may not undertake a project under this section unless the board determines the project to be necessary to accomplish a public purpose of the district.
(c) The district may not provide, conduct, or authorize any improvement project on municipal or county streets, highways, rights-
of-way, roads, or easements without the consent of the governing body of the municipality or county, as applicable.

(d) For the purposes of this section, planning, design, construction, improvement, and maintenance of a lake includes work done for drainage, reclamation, or recreation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.103. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) contract with any public or private person, body, or entity to accomplish any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) apply for and contract with any public or private person, body, or entity to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including a negotiable or nonnegotiable note or warrant payable to any other person.

(c) Any person, including but not limited to the county, may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.
Sec. 3887.104. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district;
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or
(3) to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

(c) To the extent a district rule conflicts with a county rule, order, or regulation, the county rule, order, or regulation controls.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.105. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to the county and any municipality in which the district is wholly or partly located.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.106. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OR FACILITY OF DISTRICT. (a) The board by rule may regulate the private use of a public roadway, open space, park, sidewalk, or similar public area or facility in the district. To the extent the district rules conflict with a rule, order, or regulation of the county or of a municipality in which the district is wholly or partly located, the rule, order, or regulation of the county or municipality controls. A rule may provide for the safe and orderly use of public roadways, open spaces, parks, sidewalks, and similar public areas or facilities in the district.

(b) The board may require a permit for a parade, demonstration, celebration, entertainment event, or similar nongovernmental activity in or on a public roadway, open space, park, sidewalk, or similar public area or facility that is owned by the district. The board may charge a fee for the permit application or for public safety or security services for such facilities in an amount the board...
(c) The board may require a permit or franchise agreement with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of the area or facility owned by the district on terms and on payment of a permit or franchise fee the board may impose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.107. ADDING OR REMOVING TERRITORY. (a) The board may add or remove territory under Subchapter J, Chapter 49, and Section 54.016, Water Code, except that the addition or removal of the territory must be approved by the owners of the territory being added or removed.

(b) A reference to a tax in Subchapter J, Chapter 49, or Section 54.016, Water Code, means an ad valorem tax.

(c) Territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes or assessments levied or assessed on the territory are outstanding.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.108. ECONOMIC DEVELOPMENT. The district may create economic development and other programs pursuant to Section 52-a, Article III, Texas Constitution, including the imposition and collection of ad valorem taxes for such purposes if approved by the voters of the district at an election, including the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and

(2) Chapter 1509, Government Code, provides to any municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.
Sec. 3887.109. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3887.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. Except as provided in an agreement executed pursuant to Section 3887.160, the district may:

(1) impose an ad valorem tax on all taxable property in the district, including industrial, commercial, and residential property, to pay for an improvement project of the types authorized by Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and to secure the payment of bonds issued for such purposes;

(2) impose an assessment on property in the district to pay the cost or the cost of maintenance of any authorized district improvement in the manner provided for:

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

(B) a municipality or county under Subchapter A, Chapter 372, Local Government Code;

(3) provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person, and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by or through:

(A) the imposition of an ad valorem tax or an assessment, user fee, concession fee, or rental charge; or
(B) any other revenue or resources of the district, or other revenues, including revenues from a tax increment reinvestment zone created by a municipality in which all or a portion of the territory of the district has been annexed;

(4) establish user charges related to the operation of storm-water facilities, including the regulation of storm water for the protection of water quality in the district;

(5) establish user charges for the use of potable and nonpotable water of the district;

(6) undertake separately or jointly with other persons, including a municipality or the county, all or part of the cost of an improvement project, including an improvement project:

(A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or

(B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(7) enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.152. BORROWING MONEY. The district may borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for a district purpose. The bond, note, credit agreement, or other obligation must be secured by and payable from ad valorem taxes, assessments, or any combination thereof or from other district revenue.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a) The district may impose an impact fee or assessment on property in the district, including an impact fee or assessment on residential or
commercial property, only in the manner provided by Subchapter A, Chapter 372, or Subchapter F, Chapter 375, Local Government Code, for a municipality, county, or public improvement district, according to the benefit received by the property.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:

(1) public water and wastewater facilities;
(2) drainage and storm-water facilities; and
(3) streets and alleys.

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

(1) are a first and prior lien against the property assessed; and
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(d) The lien of an assessment against property runs with the land. The portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien, and any purchaser of property in a foreclosure of an ad valorem tax lien takes the property subject to the assessment payment obligations that have not yet come due and to the lien and terms of the lien's payment under the applicable assessment ordinance or order.

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

(f) The district may not impose an impact fee on the property, including equipment and facilities, of a public utility provider in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.154. RESIDENTIAL PROPERTY NOT EXEMPT. Section
Sec. 3887.155. MAINTENANCE AND OPERATION TAX; ELECTION. (a) The district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the tax is approved by a majority of the district voters voting at an election held for that purpose. The proposition in a maintenance and operation tax election may be for a specific maximum rate or for an unlimited rate. If a maximum tax rate is approved, the board may impose the tax at any rate that does not exceed the approved rate.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.156. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.157. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL.
(a) Subject to the requirements of Sections 3887.159 and 3887.160, the district by competitive bid or negotiated sale may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or from assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or any other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable, wholly or partly, by a pledge of any part of the money the district receives from system or improvement revenues or from any other source.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.158. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.
(b) Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by a majority of the district voters voting at an election held for that purpose.

(c) The district shall hold an election required by this section in the manner provided by Chapter 54, Water Code, and the Election Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

Sec. 3887.160. DEVELOPMENT AND OPERATING AGREEMENT REQUIRED TO UNDERTAKE IMPROVEMENT PROJECTS, IMPOSE TAXES OR ASSESSMENTS, AND BORROW MONEY, INCLUDING BONDS. (a) After the district's board of directors is organized, but before the district may undertake any improvement project, issue bonds, impose taxes, impose assessments or fees, or borrow money, the district must negotiate and execute with the county a mutually approved and accepted development and operating agreement, including any pre-annexation agreements, and any limitations regarding the plans and rules for:

(1) the exercise of the powers granted to the district under this chapter, including the organization, development, and operation of the district;

(2) the selection and description of improvement projects that may be undertaken and financed by the district and the ownership, operation, and maintenance of the improvement projects;

(3) the terms, conditions, methods, means, and amounts of financing authorized by this chapter that the district may undertake in providing improvement projects; and

(4) the amounts, methods, and times of reimbursement to the county for costs and expenses, if any, incurred by the county with respect to the development and operation of the district and the financing of improvement projects by the district.

(b) An agreement required by this section may not be effective until its terms and execution are approved by the board by order or resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.
SUBCHAPTER E. DISSOLUTION

Sec. 3887.201. DISSOLUTION BY BOARD ORDER. (a) The board, with the approval of the county, by order may dissolve the district.
(b) The board may not dissolve a district until:
   (1) the district's outstanding indebtedness and all contractual obligations that are payable from ad valorem taxes or assessments have been paid, satisfied, or discharged; and
   (2) if, at the time of dissolution, the district is not situated wholly or partly within a municipality, the county agrees to accept title to all district property and to provide the level of services provided by the district as of the date of dissolution.
(c) If the district is located wholly or partly within a municipality, the municipality may dissolve the district by ordinance at any time after all outstanding debt and contractual obligations of the district that are payable from ad valorem taxes have been paid, satisfied, and discharged. If the district has outstanding debt that is payable from assessments or other district revenue, other than ad valorem taxes, and the municipality dissolves the district, the municipality assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other indebtedness payable from assessments or district revenue other than ad valorem taxes.
(d) If a municipality dissolves the district, the board shall transfer ownership of all district property to the municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1078 (H.B. 4755), Sec. 1, eff. June 19, 2009.

CHAPTER 3888. SALES TAX REVENUE AUTHORITY FOR BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT

Sec. 3888.101. DEFINITION. In this chapter, "district" means the Baytown Municipal Development District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1032 (H.B. 4376), Sec. 1, eff. June 19, 2009.

Sec. 3888.102. SALES TAX REVENUE. Notwithstanding any other law, the district may spend sales tax revenue on the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and
improvements the governing body of the district finds will promote new or expanded business development in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1032 (H.B. 4376), Sec. 1, eff. June 19, 2009.

CHAPTER 3889. GULFTON AREA MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3889.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston, Texas.
(3) "Director" means a board member.
(4) "District" means the Gulfton Area Municipal Management District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.
(c) The district is created to supplement and not to supplant city services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) developing or expanding transportation and commerce;
and
(4) providing quality residential housing.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping, removing graffiti, and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.005. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under...
Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project. A project may not receive public funds under Section 380.002(b), Local Government Code, unless the project has been approved by the governing body of the city.

(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(b), Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3889.051. GOVERNING BODY; TERMS. The district is governed by a board of seven directors who serve staggered terms of four years expiring June 1 of each even-numbered year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY CITY. (a) To be qualified to serve as a director appointed by the governing body of the city, a person must be:
(1) a resident of the district who is also a registered voter of the district;
(2) an owner of property in the district;
(3) an owner of stock or a partnership or membership interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the district;
(4) an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the district; or
(5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4).

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors from persons recommended by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.054. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

(b) A director shall file a copy of the director's oath or affirmation with the secretary of the city.
Sec. 3889.056. QUORUM. A vacant director position is not counted for purposes of establishing a quorum.

Sec. 3889.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Sec. 3889.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation for each director in one year may not exceed $2,000.

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

Sec. 3889.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;
(2) actions and activities taken by the district; or
(3) the actions of others acting on behalf of the district.
Sec. 3889.060. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.061. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3889.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

(b) An improvement project described by Subsection (a) may be located:

(1) in the district; or

(2) in an area outside but adjacent to the district if the project is for the purpose of extending a public infrastructure improvement beyond the district's boundaries to a logical terminus.
Sec. 3889.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.
Sec. 3889.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including Harris County or the city, to provide law enforcement services in the district for a fee.

Sec. 3889.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 3889.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and
(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.
Sec. 3889.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3889.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.
Sec. 3889.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 persons who own real property in the district subject to assessment, if more than 25 persons own real property in the district subject to assessment as determined by the most recent certified tax appraisal roll for Harris County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.156. LIMITATION ON AMOUNT OF CERTAIN ASSESSMENTS. An assessment based on the taxable value of real property may not exceed 12 cents per $100 of assessed valuation of taxable property in the district, according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.157. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3889.201. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other
obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.202. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.
Sec. 3889.204. ELECTIONS REGARDING TAXES. The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. DISSOLUTION

Sec. 3889.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

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

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.
Sec. 3889.253. CONCURRENCE ON ADDITIONAL POWERS. If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city consents to that change by resolution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

Sec. 3889.254. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1192 (H.B. 3828), Sec. 1, eff. June 17, 2011.

CHAPTER 3890. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 16
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3890.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston.
(3) "Director" means a board member.
(4) "District" means the Harris County Improvement District No. 16.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.002. NATURE OF DISTRICT. The Harris County Improvement District No. 16 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff.
Sec. 3890.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and
The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.
Sec. 3890.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

Sec. 3890.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3890.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3890.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.
(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the
change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the city shall appoint voting directors from persons recommended by the board. A person is appointed if the majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.056. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.
Sec. 3890.101. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that chapter.

Sec. 3890.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
   (1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
   (2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Sec. 3890.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.
Sec. 3890.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified person, including Harris County or the city, for the provision of law enforcement services in the district for a fee.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.105. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain approval from the city for:

(1) the issuance of bonds; and
(2) plans and specifications for an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway.

(b) The approval under Subsection (a)(1) must be by a resolution or ordinance adopted by the governing body of the city. The approval under Subsection (a)(2) may be any form of official approval of the city, including approval by an administrative process that does not involve the city's governing body.

(c) If the district obtains approval of the city's governing body for a capital improvements plan for a period not to exceed 10 years, the district may finance the capital improvements and issue bonds specified in the plan without further city approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.
Sec. 3890.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.109. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) In addition to the authority to annex provided by Subsection (a), the board by resolution may annex territory if:

(1) the city's governing body by ordinance or resolution consents to the annexation;

(2) the board holds a hearing to consider the annexation; and

(3) the board determines that the annexation is practicable and in the best interest of the district.

(c) An election is required for an annexation under Subsection (b) or Section 49.302, Water Code, only if before the annexation the district held an election at which the voters approved the imposition of an ad valorem tax or the issuance of bonds payable wholly or partly from ad valorem taxes.

(d) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.
SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3890.151. PUBLIC TRANSIT SYSTEM. The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area in the district.

Sec. 3890.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district may be leased to or operated on behalf of the district by an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution.

(d) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Sec. 3890.153. RULES. The district may adopt rules governing the district's public transit system or public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.
Sec. 3890.154. FINANCING OF PUBLIC PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating the district's public transit system or public parking facilities.

(b) The district may:

(1) set, charge, impose, and collect fees, charges, or tolls for the use of the district's public transit system or public parking facilities; and

(2) issue bonds or notes to finance the cost of the district's public transit system or public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 3890.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.203. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has
been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.204. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of mailing notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.207. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3890.210, the district may impose an annual operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.
Sec. 3890.208. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS.
(a) The district may borrow money on terms and conditions as
determined by the board. Section 375.205, Local Government Code,
does not apply to a loan, line of credit, or other borrowing from a
bank or financial institution secured by revenue other than ad
valorem taxes.

(b) The district may issue by competitive bid or negotiated
sale bonds, notes, or other obligations payable wholly or partly from
ad valorem taxes, assessments, impact fees, revenue, contract
payments, grants, or other district money, or any combination of
those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of
bonds, notes, and other obligations set forth in Section 49.4645,
Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff.

Sec. 3890.209. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct
annual ad valorem tax, without limit as to rate or amount, while all
or part of the bonds are outstanding as required and in the manner
provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff.

Sec. 3890.210. ELECTIONS REGARDING TAXES AND BONDS. (a) The
district may issue, without an election, bonds, notes, and other
obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided
by Subchapter L, Chapter 375, Local Government Code, to obtain voter
approval before the district may impose an ad valorem tax or issue
bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to
the district.

(d) All or any part of any facilities or improvements which may
be acquired by a district by the issuance of its bonds may be
included in one single proposition to be voted on at the election or the bonds may be submitted in several propositions.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.211. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city may not be required to pay a bond, note, or other obligation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.212. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.213. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner provided by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED PROPERTY

Sec. 3890.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff.

Sec. 3890.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3890.251, the board must call and hold an election as provided by Section 3890.210 only in the defined area or in the boundaries of the designated property.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and by order shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described in Section 3890.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.
Sec. 3890.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3890.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

CHAPTER 3891. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 17
SUBCHAPTER A. GENERAL PROVISIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4731, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 3891.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Improvement District No. 17.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4731, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 3891.002. NATURE OF DISTRICT. The Harris County Improvement District No. 17 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By
creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

1. further the public purposes of developing and diversifying the economy of the state;
2. eliminate unemployment and underemployment; and
3. develop or expand transportation and commerce.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, employees, potential employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the
district territory as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:
(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3891.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.052. APPOINTMENT OF DIRECTORS. (a) The board shall recommend to the Harris County Commissioners Court persons to serve on the succeeding board.

(b) After reviewing the board's recommendations of persons to serve on the succeeding board, the commissioners court shall appoint as directors or disapprove the recommended persons.

(c) If the governing body of the City of Houston objects to any of the board's recommendations of persons to serve on the succeeding board, the board, on the request of the commissioners court, shall submit additional recommendations.

(d) Board members may serve successive terms.

(e) If any provision of Subsections (a) through (d) is found to
be invalid, the Texas Commission on Environmental Quality shall appoint the succeeding board from recommendations of persons to serve on the succeeding board submitted by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.053. ELIGIBILITY. To be eligible to serve as a director, a person must meet the qualifications in Section 375.063, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3891.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.102. MUNICIPAL MANAGEMENT POWERS AND DUTIES. The district has the powers and duties provided by the general laws of this state, including Chapter 375, Local Government Code, applicable to a municipal management district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.103. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.
Sec. 3891.104. SPORTS VENUE. The district may construct, acquire, improve, maintain, and operate a sports venue, including an arena, coliseum, stadium, or other type of area or facility used for one or more professional or amateur sports or athletic events.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.105. AGREEMENTS; GRANTS. The district may make an agreement with or accept a gift, grant, or loan from any person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district.

(b) The district has all of the economic development authority that:

(1) Chapter 380, Local Government Code, grants to a municipality with a population of more than 100,000; and
(2) Chapter 1509, Government Code, grants to a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.
Sec. 3891.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3891.151. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3891.158, the district may impose an annual operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.152. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.153. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, assessments, impact fees, revenue, contract payments, grants, or
other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.154. HOTEL OCCUPANCY TAX. (a) The district may impose a hotel occupancy tax in the manner that Chapter 351, Tax Code, provides for a municipality.

(b) A tax imposed under this section may not exceed the maximum rate under Section 351.003(a), Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.155. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose. Revenue from the tax may be used for any district purpose for which ad valorem tax revenue is used.

(b) The district may not impose a sales and use tax if as a result of the imposition of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed the amount allowable by law at any location in the district.

(c) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed the amount allowable by law at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

(d) Except as otherwise provided by this chapter, Chapter 321, Tax Code, applies to the imposition, computation, administration, enforcement, and collection of the sales and use tax imposed by this section.
Sec. 3891.156. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of an ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.157. BONDS FOR ROAD PROJECTS. At the time of issuance the total principal amount of bonds or other obligations incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.158. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by revenue or contract payments from any source other than ad valorem taxes.

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.
Sec. 3891.159. POWERS OF MUNICIPAL UTILITY DISTRICT TO
ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. (a) The district has the powers of a municipal utility district under Subchapter J, Chapter 54, Water Code, including the power to:

(1) implement a plan;
(2) issue bonds; and
(3) impose a tax in a defined area established under that subchapter.

(b) The district may exercise the powers described by Subsection (a) regardless of whether the district is composed of the minimum number of acres provided by Section 54.801, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 1, eff. June 12, 2017.

CHAPTER 3892. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 21
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3892.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a board member.
(3) "District" means the Harris County Improvement District No. 21.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 21. The Harris County Improvement District No. 21 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of
Houston, the Metropolitan Transit Authority of Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of the effective date of the Act creating this chapter to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) Each improvement project or service authorized by this chapter is essential to carry out a public purpose.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(e) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing public art and pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty;

(4) promote and benefit commercial development and commercial areas in the district; and

(5) promote and develop public transportation and pedestrian facilities and systems using new and alternative means that are attractive, safe, and convenient, including securing expanded and improved transportation and pedestrian facilities and systems, to:

(A) address the problem of traffic congestion in the district, the need to control traffic and improve pedestrian safety, and the limited availability of money; and

(B) benefit the land and other property in the district and the residents, employers, employees, visitors, and consumers in the district and the public.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act creating this chapter, as that territory may have been modified under:

(1) Section 3892.251;

(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

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

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose and collect an assessment or tax; or
(4) the legality or operation of the district or the board.

(c) A description of the district's boundaries shall be filed with the Texas Commission on Environmental Quality. The commission by order may correct a mistake in the description of the district's boundaries.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3892.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 10 voting directors appointed by a majority of the members of the governing body, including the mayor, of the City of Houston. Voting directors serve staggered terms of four years with five directors' terms expiring June 1 of each odd-numbered year.

(b) The board by order or resolution may increase or decrease the number of voting directors on the board, but only if a majority of the voting directors finds that it is in the best interest of the district to do so. The board may not:

(1) increase the number of voting directors to more than 15; or
(2) decrease the number of voting directors to fewer than five.

(c) Sections 49.053, 49.054, 49.056, 49.057, 49.058, and 49.060, Water Code, apply to the board.

(d) Subchapter D, Chapter 375, Local Government Code, applies to the board to the extent that subchapter does not conflict with this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.052. APPOINTMENT OF DIRECTORS ON INCREASE IN BOARD SIZE. If the board increases the number of directors under Section 3892.051, the board shall appoint eligible persons to fill the new director positions and shall provide for the staggering of terms of the new directors. On expiration of the term of a director appointed under this section, a succeeding director shall be appointed and qualified as provided by Subchapter D, Chapter 375, Local Government Code. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.053. NONVOTING DIRECTORS. (a) The following persons shall serve as nonvoting directors:

(1) the directors of the following departments of the City of Houston or a person designated by that director:
   (A) parks and recreation;
   (B) planning and development; and
   (C) public works; and

(2) the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that
performs duties comparable to the duties performed by the abolished department.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.054. QUORUM. (a) Except as provided by Subsection (b), six voting directors constitute a quorum of the board.
(b) If the board is composed of an odd number of directors, a majority of the voting directors constitutes a quorum.
(c) Nonvoting directors and vacant director positions are not counted for the purposes of establishing a quorum of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.055. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:
(1) a voting director may participate in all board votes and decisions; and
(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.
(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:
(1) a majority of the directors have a similar interest in the same entity; or
(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.
(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.
(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person
would have substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.056. COMPENSATION OF VOTING DIRECTORS. Voting directors may receive fees of office and reimbursement of expenses as provided by Section 49.060, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3892.101. DISTRICT POWERS. The district may exercise the powers given to:

(1) a district created under Chapter 375, Local Government Code;

(2) a district by Subchapters H and I, Chapter 49, Water Code;

(3) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that chapter; and

(4) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.104. ELECTIONS. (a) District elections must be held in the manner provided by Subchapter L, Chapter 375, Local Government Code.

(b) The board may submit multiple purposes in a single proposition at an election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.105. CONTRACT FOR LAW ENFORCEMENT AND SECURITY SERVICES. The district may contract with:

(1) Harris County or the City of Houston for the county or city to provide law enforcement and security services in the district for a fee; or

(2) a private entity for the private entity to provide supplemental security services.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1,
Sec. 3892.106. ANNEXATION OR EXCLUSION OF TERRITORY. The district may annex or exclude land from the district in the manner provided by Subchapter C, Chapter 375, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.107. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Houston's governing body for:

(1) the issuance of a bond for each improvement project;
(2) the plans and specifications of the improvement project financed by the bond; and
(3) the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and
(2) performs a service or provides an activity consistent with promoting a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.
Sec. 3892.109. ROAD POWERS. The district may exercise powers given to:

(1) a road district created under Chapter 257, Transportation Code; and

(2) a road utility district created under Chapter 441, Transportation Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.110. AIR RIGHTS; CONSTRUCTION. The district may acquire air rights and may construct improvements on property on which it owns only air rights.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.111. ADDITIONAL PROPERTY RIGHTS; LEASEHOLDS. The district may construct improvements on property on which it only has a leasehold interest and may own undivided interests in buildings and other improvements.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3892.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

(b) The board may not act under Subsection (a) unless a written
petition requesting the action has been filed with the board.

(c) The petition must be signed by:

(1) the owners of property representing a majority of the total assessed value of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located; or

(2) the owners of a majority of the area of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located.

(d) For purposes of Subsection (c), the determination of a majority is based on the property owners along the entire right-of-way of the proposed transit project and may not be calculated on a block-by-block basis.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for the parking of motor vehicles; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in the parking of vehicles.

(b) A parking facility of the district must be either leased to or operated on behalf of the district by a private entity or an entity other than the district. The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution, and accomplish a public purpose under that section even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.153. RULES. The district may adopt rules covering its public transit system or its public parking facilities, except
that a rule relating to or affecting the use of the public right-of-way or a requirement for off-street parking is subject to all applicable municipal charter, code, or ordinance requirements.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring and operating a public transit system or public parking facilities.

(b) The district may set and impose fees, charges, or tolls for the use of the public transit system or the public parking facilities and may issue bonds or notes to finance the cost of these facilities.

(c) Except as provided by Section 3892.151, if the district pays for or finances the cost of acquiring or operating a public transit system or public parking facilities with resources other than assessments, a petition of property owners or a public hearing is not required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.155. PAYMENT IN LIEU OF TAXES TO OTHER TAXING UNIT. If the district's acquisition of property for a parking facility that is leased to or operated by a private entity results in the removal from a taxing unit's tax rolls of real property otherwise subject to ad valorem taxation, the district shall pay to the taxing unit in which the property is located, on or before January 1 of each year, as a payment in lieu of taxes, an amount equal to the ad valorem taxes that otherwise would have been imposed for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.
Sec. 3892.156. AGREEMENT WITH RAPID TRANSIT AUTHORITY. (a) In this section, "authority" means a rapid transit authority created under Chapter 451, Transportation Code.

(b) The district and an authority may agree to jointly construct, own, operate, and maintain a transit facility or a parking facility under the terms the authority and district desire.

(c) The agreement may provide that the district and the authority exchange or trade land provided that each party to the agreement receives fair market value. The authority is not required to offer any property that it proposes to trade to the district for sale to the public or for sale to any abutting property owner.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 3892.201. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM TAXES, AND IMPACT FEES. The district may impose, assess, charge, or collect an assessment, an ad valorem tax, an impact fee, or another fee in accordance with Chapter 49, Water Code, for a purpose specified by Chapter 375, Local Government Code, or as needed to exercise a power or function of the district or to accomplish a purpose or duty for which the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.202. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.203. ASSESSMENT IN PART OF DISTRICT. An assessment may be imposed on only a part of the district if only that part will benefit from the service or improvement.
Sec. 3892.204. PETITION REQUIRED FOR ASSESSMENT AND FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not impose an assessment or finance a service or improvement project under this chapter unless a written petition requesting the improvement or service has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 owners of real property in the district that will be subject to the assessment, if more than 25 persons own real property subject to the assessment in the district according to the most recent certified tax appraisal roll for Harris County.

(c) The board may act upon a petition, required under this section, signed by qualified petitioners prior to or subsequent to the enactment of this chapter.

Sec. 3892.205. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3892.104, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) administer the district;
(2) maintain and operate the district;
(3) construct or acquire improvements; or
(4) provide a service.

(b) The board shall determine the tax rate.

(c) An owner of real property in the district, except property exempt under the Texas or United States Constitution or under the Tax Code, is liable for the payment of ad valorem taxes imposed by the district on the property.
Sec. 3892.206. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.207. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENT AND IMPACT FEES. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section
Utilities Code; or

(4) a person who provides the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.208. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:

(1) burying or removing electrical power lines, telephone lines, cable or fiber-optic lines, or any other type of electrical or optical line;
(2) removing poles and any elevated lines using the poles; and
(3) reconnecting the lines described by Subdivision (2) to the buildings or other improvements to which the lines were connected.

(b) The district may acquire, operate, or charge fees for the use of the district conduits for:

(1) another person's:
    (A) telecommunications network;
    (B) fiber-optic cable; or
    (C) electronic transmission line; or
(2) any other type of transmission line or supporting facility.

(c) The district may not require a person to use a district conduit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.209. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds, notes, or other obligations in accordance with Subchapter J, Chapter 375, Local Government Code, payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of these sources of money, to pay for any authorized district purpose.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note,
certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.210. LIMITS ON PARKS AND RECREATION BONDS. Bonds issued to finance parks and recreational facilities may not exceed one percent of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.211. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not include more than one purpose in a single proposition at an election to impose a maintenance tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.212. POWERS OF MUNICIPAL UTILITY DISTRICT TO ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. (a) The district has the powers of a municipal utility district under Subchapter J, Chapter 54, Water Code, including the power to:

1. implement a plan;
2. issue bonds; and
3. impose a tax in a defined area established under that subchapter.
(b) The district may exercise the powers described by Subsection (a) regardless of whether the district is composed of the minimum number of acres provided by Section 54.801, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.213. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.214. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $50,000.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. CONSOLIDATION

Sec. 3892.251. CONSOLIDATION WITH MUNICIPAL MANAGEMENT DISTRICT. (a) The district may consolidate with one other municipal management district that adjoins or has a boundary that is within a two-mile radius of any boundary of the district. The board may consolidate with one other district only if the district to be consolidated has not issued bonds or notes secured by assessments or ad valorem taxes or imposed taxes.

(b) To initiate consolidation, the board of a district shall adopt a resolution proposing a consolidation and deliver a copy of the resolution to the board of each district with which consolidation is proposed.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.
Sec. 3892.252. TERMS AND CONDITIONS FOR CONSOLIDATION. Not later than the 30th day after districts are consolidated under Section 3892.251, the districts shall enter into an agreement specifying the terms and conditions for consolidation. The terms and conditions for consolidation must include:

1. adoption of a name for the consolidated district;
2. the number and apportionment of directors to serve on the board of the consolidated district;
3. the effective date of the consolidation;
4. an agreement on finances for the consolidated district, including disposition of funds, property, and other assets of each district; and
5. an agreement on governing the districts during the transition period, including selection of officers.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.253. NOTICE AND HEARING ON CONSOLIDATION. (a) Each district's board shall publish notice and hold a public hearing in its district regarding the terms and conditions for consolidation of the districts. The board shall publish notice at least once in a newspaper with general circulation in the affected districts at least seven days before the hearing.

(b) After the hearing, each board by resolution must approve the terms and conditions for consolidation by majority vote and enter an order consolidating the districts.

(c) If the board of each involved district adopts a resolution containing the terms and conditions for the consolidation, the involved districts become consolidated.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.254. GOVERNING CONSOLIDATED DISTRICTS. (a) After two districts are consolidated, they become one district and are governed as one district.

(b) During the period before the terms and conditions of the agreement under Section 3892.252 take effect, the officers of each
district shall continue to act jointly as officers of the original districts to settle the affairs of their respective districts.

(c) If one of the districts consolidated into one district under this subchapter had powers at the time the districts were consolidated that the other district being consolidated did not have, the consolidated district may exercise within the original boundaries of each district only the powers that belonged to that original district. In territory annexed into a consolidated district, the district may exercise any of the powers of the original districts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.255. DEBTS OF ORIGINAL DISTRICTS. After two districts are consolidated, the consolidated district shall protect the debts and obligations of the original districts and shall ensure that the debts and obligations are not impaired. If the consolidated district has taxing authority, the debts may be paid by taxes imposed on the land in the original districts as if they had not consolidated or from contributions from the consolidated district on terms stated in the consolidation agreement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.256. ASSESSMENT AND COLLECTION OF TAXES. If the consolidated district has taxing authority, the district shall impose and collect taxes on all property in the district uniformly, for maintenance and operation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

Sec. 3892.257. FILING OF ORDER WITH COUNTY CLERK AND EXECUTIVE DIRECTOR. The board shall keep in the records of the consolidated district, recorded in the office of the county clerk in each of the counties in the consolidated district, a consolidation order issued by the board. The board shall file the consolidation order with the
executive director of the Texas Commission on Environmental Quality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER G. DISSOLUTION**

Sec. 3892.301. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.

(a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, except that Section 375.264, Local Government Code, does not apply to the district. The board may dissolve the district regardless of whether the district has debt.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms. The dissolution is effective when all debts have been discharged.

Added by Acts 2009, 81st Leg., R.S., Ch. 1101 (H.B. 4828), Sec. 1, eff. June 19, 2009.

**CHAPTER 3893. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 20**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 3893.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a board member.

(3) "District" means the Harris County Improvement District No. 20.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 20. The Harris County Improvement District No. 20 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.
Sec. 3893.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, the Metropolitan Transit Authority of Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of the effective date of the Act creating this chapter to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) Each improvement project or service authorized by this chapter is essential to carry out a public purpose.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(e) The district will:
(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing public art and pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty;
(4) promote and benefit commercial development and commercial areas in the district; and
(5) promote and develop public transportation and pedestrian facilities and systems using new and alternative means that are attractive, safe, and convenient, including securing expanded and improved transportation and pedestrian facilities and systems, to:
   (A) address the problem of traffic congestion in the district, the need to control traffic and improve pedestrian safety, and the limited availability of money; and
   (B) benefit the land and other property in the district and the residents, employers, employees, visitors, and consumers in the district and the public.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.
Sec. 3893.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act creating this chapter, as that territory may have been modified under:

(1) Section 3893.251;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

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

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose and collect an assessment or tax; or
(4) the legality or operation of the district or the board.

(c) A description of the district's boundaries shall be filed with the Texas Commission on Environmental Quality. The commission by order may correct a mistake in the description of the district's boundaries.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3893.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of five voting directors appointed by a majority of the members of the governing body, including the mayor, of the City of Houston. Voting directors serve staggered terms of four years with two or three directors' terms expiring June 1 of each odd-numbered year.
(b) The board by order or resolution may increase or decrease the number of voting directors on the board, but only if a majority of the voting directors finds that it is in the best interest of the district to do so. The board may not:

(1) increase the number of voting directors to more than nine; or

(2) decrease the number of voting directors to fewer than five.

(c) Sections 49.053, 49.054, 49.056, 49.057, 49.058, and 49.060, Water Code, apply to the board.

(d) Subchapter D, Chapter 375, Local Government Code, applies to the board to the extent that subchapter does not conflict with this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.052. APPOINTMENT OF DIRECTORS ON INCREASE IN BOARD SIZE. If the board increases the number of directors under Section 3893.051, the board shall appoint eligible persons to fill the new director positions and shall provide for the staggering of terms of the new directors. On expiration of the term of a director appointed under this section, a succeeding director shall be appointed and qualified as provided by Subchapter D, Chapter 375, Local Government Code. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.053. NONVOTING DIRECTORS. (a) The following persons shall serve as nonvoting directors:

(1) the directors of the following departments of the City of Houston or a person designated by that director:

(A) parks and recreation;

(B) planning and development; and

(C) public works; and
(2) the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to the duties performed by the abolished department.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.054. QUORUM. (a) A majority of the voting directors constitutes a quorum of the board.

(b) Nonvoting directors and vacant director positions are not counted for the purposes of establishing a quorum of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.055. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a voting director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public...
entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.056. COMPENSATION OF VOTING DIRECTORS. Voting directors may receive fees of office and reimbursement of expenses as provided by Section 49.060, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3893.101. DISTRICT POWERS. The district may exercise the powers given to:

(1) a district created under Chapter 375, Local Government Code;

(2) a district by Subchapters H and I, Chapter 49, Water Code;

(3) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that chapter; and

(4) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.
(b) The nonprofit corporation:
   (1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and
   (2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.104. ELECTIONS. (a) District elections must be held in the manner provided by Subchapter L, Chapter 375, Local Government Code.

(b) The board may submit multiple purposes in a single proposition at an election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.105. CONTRACT FOR LAW ENFORCEMENT AND SECURITY SERVICES. The district may contract with:

(1) Harris County or the City of Houston for the county or city to provide law enforcement and security services in the district for a fee; or
(2) a private entity for the private entity to provide supplemental security services.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.106. ANNEXATION OR EXCLUSION OF TERRITORY. The district may annex or exclude land from the district in the manner provided by Subchapter C, Chapter 375, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.107. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Houston's governing body for:

1. the issuance of a bond for each improvement project;
2. the plans and specifications of the improvement project financed by the bond; and
3. the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

1. enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and
2. performs a service or provides an activity consistent with promoting a district purpose.
Sec. 3893.109. ROAD POWERS. The district may exercise powers given to:

(1) a road district created under Chapter 257, Transportation Code; and

(2) a road utility district created under Chapter 441, Transportation Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.110. AIR RIGHTS; CONSTRUCTION. The district may acquire air rights and may construct improvements on property on which it owns only air rights.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.111. ADDITIONAL PROPERTY RIGHTS; LEASEHOLDS. The district may construct improvements on property on which it only has a leasehold interest and may own undivided interests in buildings and other improvements.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3893.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED. (a)
The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

(b) The board may not act under Subsection (a) unless a written petition requesting the action has been filed with the board.

(c) The petition must be signed by:

(1) the owners of property representing a majority of the total assessed value of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located; or

(2) the owners of a majority of the area of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located.

(d) For purposes of Subsection (c), the determination of a majority is based on the property owners along the entire right-of-way of the proposed transit project and may not be calculated on a block-by-block basis.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for the parking of motor vehicles; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in the parking of vehicles.

(b) A parking facility of the district must be either leased to or operated on behalf of the district by a private entity or an entity other than the district. The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution, and accomplish a public purpose under that section even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.
Sec. 3893.153. RULES. The district may adopt rules covering its public transit system or its public parking facilities, except that a rule relating to or affecting the use of the public right-of-way or a requirement for off-street parking is subject to all applicable municipal charter, code, or ordinance requirements.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring and operating a public transit system or public parking facilities.

(b) The district may set and impose fees, charges, or tolls for the use of the public transit system or the public parking facilities and may issue bonds or notes to finance the cost of these facilities.

(c) Except as provided by Section 3893.151, if the district pays for or finances the cost of acquiring or operating a public transit system or public parking facilities with resources other than assessments, a petition of property owners or a public hearing is not required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.155. PAYMENT IN LIEU OF TAXES TO OTHER TAXING UNIT. If the district's acquisition of property for a parking facility that is leased to or operated by a private entity results in the removal from a taxing unit's tax rolls of real property otherwise subject to ad valorem taxation, the district shall pay to the taxing unit in which the property is located, on or before January 1 of each year, as a payment in lieu of taxes, an amount equal to the ad valorem taxes that otherwise would have been imposed for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the property.
Sec. 3893.156. AGREEMENT WITH RAPID TRANSIT AUTHORITY. (a) In this section, "authority" means a rapid transit authority created under Chapter 451, Transportation Code.

(b) The district and an authority may agree to jointly construct, own, operate, and maintain a transit facility or a parking facility under the terms the authority and district desire.

(c) The agreement may provide that the district and the authority exchange or trade land provided that each party to the agreement receives fair market value. The authority is not required to offer any property that it proposes to trade to the district for sale to the public or for sale to any abutting property owner.

Sec. 3893.201. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM TAXES, AND IMPACT FEES. The district may impose, assess, charge, or collect an assessment, an ad valorem tax, an impact fee, or another fee in accordance with Chapter 49, Water Code, for a purpose specified by Chapter 375, Local Government Code, or as needed to exercise a power or function of the district or to accomplish a purpose or duty for which the district was created.

Sec. 3893.202. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.
Sec. 3893.203. ASSESSMENT IN PART OF DISTRICT. An assessment may be imposed on only a part of the district if only that part will benefit from the service or improvement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.204. PETITION REQUIRED FOR ASSESSMENT AND FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not impose an assessment or finance a service or improvement project under this chapter unless a written petition requesting the improvement or service has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 owners of real property in the district that will be subject to the assessment, if more than 25 persons own real property subject to the assessment in the district according to the most recent certified tax appraisal roll for Harris County.

(c) The board may act upon a petition, required under this section, signed by qualified petitioners prior to or subsequent to the enactment of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.205. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3893.104, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) administer the district;
(2) maintain and operate the district;
(3) construct or acquire improvements; or
(4) provide a service.

(b) The board shall determine the tax rate.

(c) An owner of real property in the district, except property exempt under the Texas or United States Constitution or under the Tax Code, is liable for the payment of ad valorem taxes imposed by the
district on the property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.206. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.207. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENT AND IMPACT FEES. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.208. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:
(1) burying or removing electrical power lines, telephone lines, cable or fiber-optic lines, or any other type of electrical or optical line;
(2) removing poles and any elevated lines using the poles; and
(3) reconnecting the lines described by Subdivision (2) to the buildings or other improvements to which the lines were connected.
(b) The district may acquire, operate, or charge fees for the use of the district conduits for:
(1) another person's:
(A) telecommunications network;
(B) fiber-optic cable; or
(C) electronic transmission line; or
(2) any other type of transmission line or supporting facility.
(c) The district may not require a person to use a district conduit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.209. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds, notes, or other obligations in accordance with Subchapter J, Chapter 375, Local Government Code, payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of these sources of money, to pay
for any authorized district purpose.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.210. LIMITS ON PARKS AND RECREATION BONDS. Bonds issued to finance parks and recreational facilities may not exceed one percent of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.211. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not include more than one purpose in a single proposition at an election to impose a maintenance tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.212. POWERS OF MUNICIPAL UTILITY DISTRICT TO ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. (a) The district has the powers of a municipal utility district under Subchapter J, Chapter 54, Water Code, including the power to:

(1) implement a plan;
(2) issue bonds; and
(3) impose a tax in a defined area established under that subchapter.

(b) The district may exercise the powers described by Subsection (a) regardless of whether the district is composed of the minimum number of acres provided by Section 54.801, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.213. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

Sec. 3893.214. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $50,000.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. CONSOLIDATION

Sec. 3893.251. CONSOLIDATION WITH MUNICIPAL MANAGEMENT DISTRICT. (a) The district may consolidate with one other municipal management district that adjoins or has a boundary that is within a two-mile radius of any boundary of the district. The board may consolidate with one other district only if the district to be consolidated has not issued bonds or notes secured by assessments or ad valorem taxes or imposed taxes.

(b) To initiate consolidation, the board of a district shall adopt a resolution proposing a consolidation and deliver a copy of the resolution to the board of each district with which consolidation is proposed.
Sec. 3893.252. TERMS AND CONDITIONS FOR CONSOLIDATION. Not later than the 30th day after districts are consolidated under Section 3893.251, the districts shall enter into an agreement specifying the terms and conditions for consolidation. The terms and conditions for consolidation must include:

1. adoption of a name for the consolidated district;
2. the number and apportionment of directors to serve on the board of the consolidated district;
3. the effective date of the consolidation;
4. an agreement on finances for the consolidated district, including disposition of funds, property, and other assets of each district; and
5. an agreement on governing the districts during the transition period, including selection of officers.

Sec. 3893.253. NOTICE AND HEARING ON CONSOLIDATION. (a) Each district's board shall publish notice and hold a public hearing in its district regarding the terms and conditions for consolidation of the districts. The board shall publish notice at least once in a newspaper with general circulation in the affected districts at least seven days before the hearing.

(b) After the hearing, each board by resolution must approve the terms and conditions for consolidation by majority vote and enter an order consolidating the districts.

(c) If the board of each involved district adopts a resolution containing the terms and conditions for the consolidation, the involved districts become consolidated.

Sec. 3893.254. GOVERNING CONSOLIDATED DISTRICTS. (a) After
two districts are consolidated, they become one district and are
governed as one district.

(b) During the period before the terms and conditions of the
agreement under Section 3893.252 take effect, the officers of each
district shall continue to act jointly as officers of the original
districts to settle the affairs of their respective districts.

(c) If one of the districts consolidated into one district
under this subchapter had powers at the time the districts were
consolidated that the other district being consolidated did not have,
the consolidated district may exercise within the original boundaries
of each district only the powers that belonged to that original
district. In territory annexed into a consolidated district, the
district may exercise any of the powers of the original districts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1,

Sec. 3893.255. DEBTS OF ORIGINAL DISTRICTS. After two
districts are consolidated, the consolidated district shall protect
the debts and obligations of the original districts and shall ensure
that the debts and obligations are not impaired. If the consolidated
district has taxing authority, the debts may be paid by taxes imposed
on the land in the original districts as if they had not consolidated
or from contributions from the consolidated district on terms stated
in the consolidation agreement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1,

Sec. 3893.256. ASSESSMENT AND COLLECTION OF TAXES. If the
consolidated district has taxing authority, the district shall impose
and collect taxes on all property in the district uniformly, for
maintenance and operation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1,

Sec. 3893.257. FILING OF ORDER WITH COUNTY CLERK AND EXECUTIVE
DIRECTOR. The board shall keep in the records of the consolidated district, recorded in the office of the county clerk in each of the counties in the consolidated district, a consolidation order issued by the board. The board shall file the consolidation order with the executive director of the Texas Commission on Environmental Quality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 3893.301. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, except that Section 375.264, Local Government Code, does not apply to the district. The board may dissolve the district regardless of whether the district has debt. (b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms. The dissolution is effective when all debts have been discharged.

Added by Acts 2009, 81st Leg., R.S., Ch. 1100 (H.B. 4827), Sec. 1, eff. June 19, 2009.

CHAPTER 3894. ROWLETT DOWNTOWN MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3894.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Rowlett, Texas.
(3) "Director" means a member of the board.
(4) "District" means the Rowlett Downtown Management District.
(5) "Improvement project" means any program or project authorized by Section 3894.102, inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.002. CREATION AND NATURE OF DISTRICT. The district
is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

1. developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, employees, potential employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act creating this chapter, as that territory may have been modified under Section 3894.109 or other law.

(b) The boundaries and field notes of the district contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes of the district contained in Section 2 of the Act creating this chapter or in copying the field notes in the legislative process does not in any way affect the district's:
(1) organization, existence, or validity;
(2) right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;
(3) right to impose or collect an assessment, tax, or any other revenue; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.006. ELIGIBILITY FOR REINVESTMENT OR ENTERPRISE ZONES. (a) All or any part of the area of the district is eligible, regardless of other statutory criteria, to be included in:
(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code; or
(2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code.
(b) All or any part of the area of the district is eligible to be nominated for inclusion in an enterprise zone by the city under Chapter 2303, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 3894.051. BOARD OF DIRECTORS. The district is governed by
a board of five directors appointed under Section 3894.052 and three directors serving ex officio under Section 3894.053.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.052. APPOINTMENT OF DIRECTORS; TERMS. (a) The mayor and governing body of the city shall appoint voting directors. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person. A member of the governing body of the city may not be appointed to the board.

(b) Section 375.063, Local Government Code, does not apply to the district.

(c) The appointed directors serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(d) A person may not be appointed to the board if the appointment of that person would result in fewer than three of the directors residing in the city.

(e) The governing body of the city shall appoint a director to fill a vacancy that occurs on the board.

(f) District directors are public officials entitled to governmental immunity for their official actions.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the manager of the city;
(2) the financial director of the city; and
(3) the planning director of the city.

(b) If an office described by Subsection (a) is renamed, changed, or abolished, the governing body of the city may appoint another city officer or employee who performs duties comparable to those performed by the officer described by Subsection (a).

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.
Sec. 3894.054. CONFLICTS OF INTEREST. (a) Except as provided by Section 3894.053 or this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of board members.

(b) A director who has a beneficial interest in a business entity that will receive a pecuniary benefit from an action of the board may participate in discussion and vote on that action if a majority of the board has a similar interest in the same action or if all other similar business entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.055. DIRECTOR'S OATH OR AFFIRMATION. A director's oath or affirmation of office shall be filed with the district and the district shall retain the oath or affirmation in the district records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.056. OFFICERS. The board shall elect from among the directors a chair, vice chair, and secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.057. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF EXPENSES. A director is not entitled to compensation for service on the board but is entitled to be reimbursed for necessary expenses
incurred in carrying out the duties and responsibilities of a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.059. QUORUM. For purposes of determining whether a quorum of the board is present, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3894.101. GENERAL POWERS AND DUTIES. The district has the powers and duties provided by:

(1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code;

(2) the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code; and

(3) Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects or activities in support of or incidental to those projects:

(1) a supply and distribution facility or system to provide potable and city-approved nonpotable water to the residents and businesses of the district, including a wastewater collection
facility;

(2) a paved road or street, inside and outside the district, to the extent authorized by Section 52, Article III, Texas Constitution;

(3) the planning, design, construction, improvement, and maintenance of:
   (A) landscaping;
   (B) highway right-of-way or transit corridor beautification and improvement;
   (C) lighting, banners, and signs;
   (D) a street or sidewalk;
   (E) a hiking and cycling path or trail;
   (F) a pedestrian walkway, skywalk, crosswalk, or tunnel;
   (G) a park, lake, garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve;
   (H) a fountain, plaza, or pedestrian mall; or
   (I) a drainage or storm-water detention improvement;

(4) protection and improvement of the quality of storm water that flows through the district;

(5) the planning, design, construction, improvement, maintenance, and operation of:
   (A) a water or sewer facility; or
   (B) an off-street parking facility or heliport;

(6) the planning and acquisition of:
   (A) public art and sculpture and related exhibits and facilities; or
   (B) an educational and cultural exhibit or facility;

(7) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
   (A) a conference, convention, or exhibition;
   (B) a manufacturer, consumer, or trade show;
   (C) a civic, community, or institutional event; or
   (D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;

(8) the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project;

(9) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an
improvement project;

(10) the acquisition of property or an interest in property in connection with an authorized improvement project;

(11) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:

(A) advertising;
(B) promotion;
(C) tourism;
(D) health and sanitation;
(E) public safety;
(F) security;
(G) fire protection or emergency medical services;
(H) business recruitment;
(I) development;
(J) elimination of traffic congestion; and
(K) recreational, educational, or cultural improvements, enhancements, and services; or

(12) any similar public improvement, facility, or service.

(b) The district may not undertake an improvement project under this section unless the board determines the project to be necessary to accomplish a public purpose of the district.

(c) An improvement project must comply with any applicable city requirements, including codes and ordinances.

(d) The district may not provide, conduct, or authorize any improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

(e) The district shall immediately comply with any city ordinance, order, or resolution that:

(1) requires the district to transfer to the city the title to all or any portion of an improvement project; or

(2) authorizes the district to own, encumber, maintain, and operate an improvement project, subject to the right of the city to order a conveyance of the project to the city on a date determined by the city.

(f) For the purposes of this section, planning, design, construction, improvement, and maintenance of a lake include work done for drainage, reclamation, or recreation.
Sec. 3894.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. 3894.104. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) contract with any person to accomplish any district purpose, including a contract for:
   (A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost; or
   (B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including a negotiable or nonnegotiable note or warrant payable to the city, Dallas County, and any other person.

(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.
(d) A contract payable from ad valorem taxes for a period longer than one year must be approved by the governing body of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies only to a district contract that has a value of more than $50,000.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.106. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and
(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.107. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district;
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities;
or

(3) to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

(c) To the extent a district rule conflicts with a city rule or order, the city rule or order controls.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.108. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.109. ADDING OR REMOVING TERRITORY. The board may add or remove territory under Subchapter J, Chapter 49, and Section 54.016, Water Code, except that:

(1) the addition or removal of the territory must be approved by:

(A) the governing body of the city; and
(B) the owners of the territory being added or removed;

(2) a reference to a tax in Subchapter J, Chapter 49, or Section 54.016, Water Code, means an ad valorem tax; and

(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes on the territory are outstanding.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.
Sec. 3894.111. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.112. DISTRICT EMPLOYEES; TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of:

(1) an executive director or general manager; or
(2) any other district employee the board considers necessary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3894.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. Except as provided by Section 3894.161, the district may:

(1) impose an ad valorem tax on all taxable property in the district, including industrial, commercial, and residential property, to pay for an improvement project;
(2) impose an assessment on property in the district in the manner provided for:
   (A) a district under Subchapter F, Chapter 375, Local Government Code; or
   (B) a municipality or county under Subchapter A, Chapter 372, Local Government Code;
(3) provide or secure the payment or repayment of the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by or through:
   (A) a lease, installment purchase contract, or other agreement with any person;
   (B) the imposition of a tax, assessment, user fee, concession fee, or rental charge; or
(C) any other revenue or resource of the district;

(4) establish user charges related to the operation of storm-water facilities, including the regulation of storm water for the protection of water quality in the district;

(5) establish user charges for the use of nonpotable water for irrigation purposes, subject to the approval of the governing body of the city;

(6) undertake separately or jointly with other persons, including the city or Dallas County, all or part of the cost of an improvement project, including an improvement project:
   (A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or
   (B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(7) enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.152. BORROWING MONEY. The district may borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for the district purpose. The bond, note, credit agreement, or other obligation must be secured by and payable from ad valorem taxes, assessments, or other district revenue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a) The district may impose an impact fee or assessment on property in the district, including an impact fee or assessment on residential or commercial property, only in the manner provided by Subchapter A, Chapter 372, or Subchapter F, Chapter 375, Local Government Code, for a municipality, county, or public improvement district, according to
the benefit received by the property.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:

(1) public water and wastewater facilities;
(2) drainage and storm-water facilities; and
(3) streets and alleys.

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

(1) is a first and prior lien against the property assessed; and
(2) is superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

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

(e) The district may not impose an impact fee on the property, including equipment and facilities, of a public utility provider in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.154. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.155. MAINTENANCE AND OPERATION TAX; ELECTION. (a) Except as provided by Section 3894.161, the district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land,
plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the maximum tax rate is approved by the governing body of the city and a majority of the district voters voting at an election held for that purpose. If the maximum tax rate is approved, the board may impose the tax at any rate that does not exceed the approved rate.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

(d) The proposition in a maintenance and operation tax election may be for a specific maximum rate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.156. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.157. BOND ISSUANCE PLAN REQUIRED BEFORE ISSUING BONDS. The district may not issue bonds until the governing body of the city approves a bond issuance plan authorizing and setting forth the limitations on the issuance of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.158. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. (a) Except as provided by Sections 3894.157 and 3894.161, the district may issue, by competitive bid or negotiated sale, bonds,
notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the net proceeds the district receives from any other district revenue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.159. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.160. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

(b) Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the
imposition of the taxes are approved by:

(1) a majority of the district voters voting at an election held for that purpose; and
(2) the governing body of the city.
(c) The district shall hold an election required by this section in the manner provided by Chapter 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.161. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district may issue bonds, impose taxes, or borrow money, the district and the city must negotiate and execute a mutually approved and accepted interlocal project development agreement regarding the development plans and rules for:
(1) the development and operation of the district; and
(2) the financing of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.162. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. DISSOLUTION

Sec. 3894.201. DISSOLUTION BY CITY ORDINANCE. (a) If the city by ordinance adopts by a two-thirds vote of its governing body an ordinance to dissolve the district, the district is dissolved.
(b) The district may not be dissolved until the district's outstanding indebtedness or contractual obligations payable from ad valorem taxes have been repaid or discharged.
(c) The district may not be dissolved until the agreement under
Section 3894.161 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.202. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.
(a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.
(b) If the district is dissolved, the city has and may exercise all district powers to enforce and collect the assessments or other revenue to pay:
(1) the bonds or other obligations when due and payable according to their terms; or
(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.

Sec. 3894.203. ASSUMPTION OF ASSETS AND LIABILITIES. (a) The district may not be dissolved by the city unless the city assumes the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.
(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 880 (S.B. 234), Sec. 1, eff. June 17, 2011.
Sec. 3895.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Rowlett, Texas.
(3) "Director" means a board member.
(4) "District" means the Rowlett Pecan Grove Management District.
(5) "Improvement project" means any program or project authorized by Section 3895.102, inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve the city or Dallas County from providing the level of services provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the city and county services provided in the district.
Sec. 3895.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, potential employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.
Sec. 3895.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act creating this chapter, as that territory may have been modified under Section 3895.109 or other law.

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

1. organization, existence, or validity;
2. right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;
3. right to impose or collect an assessment, tax, or any other revenue; or
4. legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.006. ELIGIBILITY FOR REINVESTMENT OR ENTERPRISE ZONES. (a) All or any part of the area of the district is eligible, regardless of other statutory criteria, to be included in:

1. a tax increment reinvestment zone created by the city under Chapter 311, Tax Code; or
2. a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code.

(b) All or any part of the area of the district is eligible to be nominated for inclusion in an enterprise zone by the city under Chapter 2303, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1,
Sec. 3895.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3895.051. BOARD OF DIRECTORS. The district is governed by a board of five directors appointed under Section 3895.052 and three directors serving ex officio under Section 3895.053.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.052. APPOINTMENT OF DIRECTORS; TERMS. (a) The mayor and governing body of the city shall appoint voting directors. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person. A member of the governing body of the city may not be appointed to the board.

(b) Section 375.063, Local Government Code, does not apply to the district.

(c) The appointed directors serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(d) A person may not be appointed to the board if the appointment of that person would result in fewer than three of the directors residing in the city.

(e) The governing body of the city shall appoint a director to fill a vacancy that occurs on the board.

(f) A director is a public official entitled to governmental immunity for the director's official actions.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.
Sec. 3895.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the manager of the city;
(2) the financial director of the city; and
(3) the planning director of the city.

(b) If an office described by Subsection (a) is renamed, changed, or abolished, the governing body of the city may appoint another city officer or employee who performs duties comparable to those performed by the officer described by Subsection (a).

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.054. CONFLICTS OF INTEREST. (a) Except as provided by Section 3895.053 or this section:

(1) a director may participate in all board votes and decisions; and
(2) Chapter 171, Local Government Code, governs conflicts of interest of board members.

(b) A director who has a beneficial interest in a business entity that will receive a pecuniary benefit from an action of the board may participate in discussion and vote on that action if a majority of the board has a similar interest in the same action or if all other similar business entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.055. DIRECTOR'S OATH OR AFFIRMATION. A director's oath or affirmation of office shall be filed with the district and the district shall retain the oath or affirmation in the district records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.
Sec. 3895.056. OFFICERS. The board shall elect from among the directors a chair, vice chair, and secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.057. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF EXPENSES. A director is not entitled to compensation for service on the board but is entitled to be reimbursed for necessary expenses incurred in carrying out the duties and responsibilities of a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.059. QUORUM. For purposes of determining whether a quorum of the board is present, the following are not counted:
   (1) a board position vacant for any reason, including death, resignation, or disqualification;
   (2) a director who is abstaining from participation in a vote because of a conflict of interest; or
   (3) a nonvoting director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 3895.101. GENERAL POWERS AND DUTIES. The district has the powers and duties provided by:
   (1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code;
   (2) the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code; and
   (3) Chapter 375, Local Government Code.
Sec. 3895.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects or activities in support of or incidental to those projects:

(1) a supply and distribution facility or system to provide potable and city-approved nonpotable water to the residents and businesses of the district, including a wastewater collection facility;

(2) a paved road or street, inside and outside the district, to the extent authorized by Section 52, Article III, Texas Constitution;

(3) the planning, design, construction, improvement, and maintenance of:
   (A) landscaping;
   (B) highway right-of-way or transit corridor beautification and improvement;
   (C) lighting, banners, and signs;
   (D) a street or sidewalk;
   (E) a hiking and cycling path or trail;
   (F) a pedestrian walkway, skywalk, crosswalk, or tunnel;
   (G) a park, lake, garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve;
   (H) a fountain, plaza, or pedestrian mall; or
   (I) a drainage or storm-water detention improvement;

(4) protection and improvement of the quality of storm water that flows through the district;

(5) the planning, design, construction, improvement, maintenance, and operation of:
   (A) a water or sewer facility; or
   (B) an off-street parking facility or heliport;

(6) the planning and acquisition of:
   (A) public art and sculpture and related exhibits and facilities; or
   (B) an educational and cultural exhibit or facility;

(7) the planning, design, construction, acquisition, lease,
rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:

(A) a conference, convention, or exhibition;
(B) a manufacturer, consumer, or trade show;
(C) a civic, community, or institutional event; or
(D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;

(8) the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project;

(9) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project;

(10) the acquisition of property or an interest in property in connection with an authorized improvement project;

(11) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:

(A) advertising;
(B) promotion;
(C) tourism;
(D) health and sanitation;
(E) public safety;
(F) security;
(G) fire protection or emergency medical services;
(H) business recruitment;
(I) development;
(J) elimination of traffic congestion; and
(K) recreational, educational, or cultural improvements, enhancements, and services; or

(12) any similar public improvement, facility, or service.

(b) The district may not undertake an improvement project under this section unless the board determines the project to be necessary to accomplish a public purpose of the district.

(c) An improvement project must comply with any applicable city requirements, including codes and ordinances.

(d) The district may not provide, conduct, or authorize any improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

(e) The district shall immediately comply with any city
ordinance, order, or resolution that:

(1) requires the district to transfer to the city the title to all or any portion of an improvement project; or

(2) authorizes the district to own, encumber, maintain, and operate an improvement project, subject to the right of the city to order a conveyance of the project to the city on a date determined by the city.

(f) For the purposes of this section, planning, design, construction, improvement, and maintenance of a lake include work done for drainage, reclamation, or recreation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.104. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) contract with any person to accomplish any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition,
construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including a negotiable or nonnegotiable note or warrant payable to the city, Dallas County, and any other person.

(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

(d) A contract payable from ad valorem taxes for a period longer than one year must be approved by the governing body of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies only to a district contract that has a value of more than $50,000.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.106. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.
Sec. 3895.107. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district;
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or
(3) to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

(c) To the extent a district rule conflicts with a city rule or order, the city rule or order controls.

Sec. 3895.108. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to the city.

Sec. 3895.109. ADDING OR REMOVING TERRITORY. The board may add or remove territory under Subchapter J, Chapter 49, and Section 54.016, Water Code, except that:

(1) the addition or removal of the territory must be approved by:

(A) the governing body of the city; and
(B) the owners of the territory being added or removed;

(2) a reference to a tax in Subchapter J, Chapter 49, or Section 54.016, Water Code, means an ad valorem tax; and

(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes on the territory are outstanding.
Sec. 3895.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 3895.111. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Sec. 3895.112. DISTRICT EMPLOYEES; TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of:

(1) an executive director or general manager; or
(2) any other district employee the board considers necessary.

Sec. 3895.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. Except as provided by Section 3895.161, the district may:

(1) impose an ad valorem tax on all taxable property in the district, including industrial, commercial, and residential property, to pay for an improvement project;

(2) impose an assessment on property in the district in the manner provided for:

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

(B) a municipality or county under Subchapter A, Chapter 372, Local Government Code;
(3) provide or secure the payment or repayment of the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by or through:
   (A) a lease, installment purchase contract, or other agreement with any person;
   (B) the imposition of a tax, assessment, user fee, concession fee, or rental charge; or
   (C) any other revenue or resource of the district;
(4) establish user charges related to the operation of storm-water facilities, including the regulation of storm water for the protection of water quality in the district;
(5) establish user charges for the use of nonpotable water for irrigation purposes, subject to the approval of the governing body of the city;
(6) undertake separately or jointly with other persons, including the city or Dallas County, all or part of the cost of an improvement project, including an improvement project:
   (A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or
   (B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and
(7) enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.152. BORROWING MONEY. The district may borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for the district purpose. The bond, note, credit agreement, or other obligation must be secured by and payable from ad valorem taxes, assessments, or other district revenue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1,
Sec. 3895.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a) The district may impose an impact fee or assessment on property in the district, including an impact fee or assessment on residential or commercial property, only in the manner provided by Subchapter A, Chapter 372, or Subchapter F, Chapter 375, Local Government Code, for a municipality, county, or public improvement district, according to the benefit received by the property.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:

1. public water and wastewater facilities;
2. drainage and storm-water facilities; and
3. streets and alleys.

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

1. is a first and prior lien against the property assessed; and
2. is superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

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

(e) The district may not impose an impact fee on the property, including equipment and facilities, of a public utility provider in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.154. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.
Sec. 3895.155. MAINTENANCE AND OPERATION TAX; ELECTION. (a) Except as provided by Section 3895.161, the district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the maximum tax rate is approved by the governing body of the city and a majority of the district voters voting at an election held for that purpose. If the maximum tax rate is approved, the board may impose the tax at any rate that does not exceed the approved rate.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

(d) The proposition in a maintenance and operation tax election may be for a specific maximum rate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.156. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.157. BOND ISSUANCE PLAN REQUIRED BEFORE ISSUING BONDS. The district may not issue bonds until the governing body of the city approves a bond issuance plan authorizing and setting forth
the limitations on the issuance of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.158.  BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL.  (a)  Except as provided by Sections 3895.157 and 3895.161, the district may issue, by competitive bid or negotiated sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b)  In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c)  In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the net proceeds the district receives from any other district revenue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.159.  BOND MATURITY.  Bonds must mature not more than 40 years from their date of issue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.160.  TAXES FOR BONDS AND OTHER OBLIGATIONS.  (a)  At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on
all taxable property in the district in an amount sufficient to:
(A) pay the interest on the bonds or other obligations as the interest becomes due;
(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
(C) pay the expenses of imposing the taxes.

(b) Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by:
(1) a majority of the district voters voting at an election held for that purpose; and
(2) the governing body of the city.
(c) The district shall hold an election required by this section in the manner provided by Chapter 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.161. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district may issue bonds, impose taxes, or borrow money, the district and the city must negotiate and execute a mutually approved and accepted interlocal project development agreement regarding the development plans and rules for:
(1) the development and operation of the district; and
(2) the financing of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.162. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.
SUBCHAPTER E. DISSOLUTION

Sec. 3895.201. DISSOLUTION BY CITY ORDINANCE. (a) If the city adopts by a two-thirds vote of its governing body an ordinance to dissolve the district, the district is dissolved.

(b) The district may not be dissolved until the district's outstanding indebtedness or contractual obligations payable from ad valorem taxes have been repaid or discharged.

(c) The district may not be dissolved until any agreement under Section 3895.161 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.202. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) If the district is dissolved, the city has and may exercise all district powers to enforce and collect the assessments or other revenue to pay:

1. the bonds or other obligations when due and payable according to their terms; or
2. special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

Sec. 3895.203. ASSUMPTION OF ASSETS AND LIABILITIES. (a) The district may not be dissolved by the city unless the city assumes the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1203 (S.B. 233), Sec. 1, eff. June 17, 2011.

CHAPTER 3896. ROWLETT WATERFRONT ENTERTAINMENT MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3896.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Rowlett, Texas.
(3) "Director" means a board member.
(4) "District" means the Rowlett Waterfront Entertainment Management District.
(5) "Improvement project" means any program or project authorized by Section 3896.102, inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, potential employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be an
improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act creating this chapter, as that territory may have been modified under Section 3896.108 or other law.

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

(1) organization, existence, or validity;

(2) right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;

(3) right to impose or collect an assessment, tax, or any other revenue; or

(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.006. ELIGIBILITY FOR REINVESTMENT OR ENTERPRISE ZONES. (a) All or any part of the area of the district is eligible, regardless of other statutory criteria, to be included in:

(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code; or

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

(b) All or any part of the area of the district is eligible to be nominated for inclusion in an enterprise zone by the city under Chapter 2303, Government Code.
Sec. 3896.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3896.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3896.051. BOARD OF DIRECTORS. The district is governed by a board of five directors appointed under Section 3896.052 and three directors serving ex officio under Section 3896.053.

Sec. 3896.052. APPOINTMENT OF DIRECTORS; TERMS. (a) The mayor and governing body of the city shall appoint voting directors. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person. A member of the governing body of the city may not be appointed to the board. (b) Section 375.063, Local Government Code, does not apply to the district. (c) The appointed directors serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year. (d) A person may not be appointed to the board if the appointment of that person would result in fewer than three of the
directors residing in the city.

(e) The governing body of the city shall appoint a director to fill a vacancy that occurs on the board.

(f) A director is a public official entitled to governmental immunity for the director's official actions.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the manager of the city;

(2) the financial director of the city; and

(3) the planning director of the city.

(b) If an office described by Subsection (a) is renamed, changed, or abolished, the governing body of the city may appoint another city officer or employee who performs duties comparable to those performed by the officer described by Subsection (a).

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.054. CONFLICTS OF INTEREST. (a) Except as provided by Section 3896.053 or this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of board members.

(b) A director who has a beneficial interest in a business entity that will receive a pecuniary benefit from an action of the board may participate in discussion and vote on that action if a majority of the board has a similar interest in the same action or if all other similar business entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff.
Sec. 3896.055. DIRECTOR'S OATH OR AFFIRMATION. A director's oath or affirmation of office shall be filed with the district and the district shall retain the oath or affirmation in the district records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.056. OFFICERS. The board shall elect from among the directors a chair, vice chair, and secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.057. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF EXPENSES. A director is not entitled to compensation for service on the board but is entitled to be reimbursed for necessary expenses incurred in carrying out the duties and responsibilities of a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.059. QUORUM. For purposes of determining whether a quorum of the board is present, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.
Sec. 3896.101. GENERAL POWERS AND DUTIES. The district has the powers and duties provided by:

(1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code;

(2) the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code;

(3) Subchapter A, Chapter 372, Local Government Code, in the same manner as a municipality or a county;

(4) Chapter 375, Local Government Code; and

(5) Chapter 505, Local Government Code, as if the district were a municipality to which that chapter applies.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects or activities in support of or incidental to those projects:

(1) a supply and distribution facility or system to provide potable and city-approved nonpotable water to the residents and businesses of the district, including a wastewater collection facility;

(2) a paved road or street, inside and outside the district, to the extent authorized by Section 52, Article III, Texas Constitution;

(3) the planning, design, construction, improvement, and maintenance of:

(A) landscaping;

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

(C) lighting, banners, and signs;

(D) a street or sidewalk;

(E) a hiking and cycling path or trail;

(F) a pedestrian walkway, skywalk, crosswalk, or tunnel;
(G) a park, lake, garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve;
(H) a fountain, plaza, or pedestrian mall; or
(I) a drainage or storm-water detention improvement;
(4) protection and improvement of the quality of storm water that flows through the district;
(5) the planning, design, construction, improvement, maintenance, and operation of:
   (A) a water or sewer facility; or
   (B) an off-street parking facility or heliport;
(6) the planning and acquisition of:
   (A) public art and sculpture and related exhibits and facilities; or
   (B) an educational and cultural exhibit or facility;
(7) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
   (A) a conference, convention, or exhibition;
   (B) a manufacturer, consumer, or trade show;
   (C) a civic, community, or institutional event; or
   (D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;
(8) the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project;
(9) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project;
(10) the acquisition of property or an interest in property in connection with an authorized improvement project;
(11) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:
   (A) advertising;
   (B) promotion;
   (C) tourism;
   (D) health and sanitation;
   (E) public safety;
   (F) security;
   (G) fire protection or emergency medical services;
(H) business recruitment;
(I) development;
(J) elimination of traffic congestion; and
(K) recreational, educational, or cultural improvements, enhancements, and services; or

(12) any similar public improvement, facility, or service.

(b) The district may not undertake an improvement project under this section unless the board determines the project to be necessary to accomplish a public purpose of the district.

(c) An improvement project must comply with any applicable city requirements, including codes and ordinances.

(d) The district may not provide, conduct, or authorize any improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

(e) The district shall immediately comply with any city ordinance, order, or resolution that:

(1) requires the district to transfer to the city the title to all or any portion of an improvement project; or

(2) authorizes the district to own, encumber, maintain, and operate an improvement project, subject to the right of the city to order a conveyance of the project to the city on a date determined by the city.

(f) For the purposes of this section, planning, design, construction, improvement, and maintenance of a lake include work done for drainage, reclamation, or recreation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.103. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) contract with any person to accomplish any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing
improvement project; and

(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including a negotiable or nonnegotiable note or warrant payable to the city, Dallas County, and any other person.

(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

(d) A contract payable from ad valorem taxes for a period longer than one year must be approved by the governing body of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.104. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies only to a district contract that has a value of more than $50,000.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.105. ECONOMIC DEVELOPMENT. The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and

(2) Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff.
Sec. 3896.106. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district;
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or
(3) to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

(c) To the extent a district rule conflicts with a city rule or order, the city rule or order controls.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.107. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.108. ADDING OR REMOVING TERRITORY. The board may add or remove territory under Subchapter J, Chapter 49, and Section 54.016, Water Code, except that:

(1) the addition or removal of the territory must be approved by:

(A) the governing body of the city; and
(B) the owners of the territory being added or removed;
(2) a reference to a tax in Subchapter J, Chapter 49, or Section 54.016, Water Code, means an ad valorem tax; and
(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes on the territory are outstanding.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff.
Sec. 3896.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.110. DISTRICT EMPLOYEES; TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of:

(1) an executive director or general manager; or

(2) any other district employee the board considers necessary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3896.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. Except as provided by Section 3896.161, the district may:

(1) impose an ad valorem tax on all taxable property in the district, including industrial, commercial, and residential property, to pay for an improvement project;

(2) impose an assessment on property in the district in the manner provided for:

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

(B) a municipality or county under Subchapter A, Chapter 372, Local Government Code;

(3) provide or secure the payment or repayment of the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by or through:

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

(B) the imposition of a tax, assessment, user fee,
concession fee, or rental charge; or
   (C) any other revenue or resource of the district;
(4) establish user charges related to the operation of
storm-water facilities, including the regulation of storm water for
the protection of water quality in the district;
(5) establish user charges for the use of nonpotable water
for irrigation purposes, subject to the approval of the governing
body of the city;
(6) undertake separately or jointly with other persons,
including the city or Dallas County, all or part of the cost of an
improvement project, including an improvement project:
   (A) for improving, enhancing, and supporting public
safety and security, fire protection and emergency medical services,
and law enforcement in and adjacent to the district; or
   (B) that confers a general benefit on the entire
district or a special benefit on a definable part of the district;
and
(7) enter into a tax abatement agreement in accordance with
the general laws of this state authorizing and applicable to tax
abatement agreements by municipalities.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff.
June 17, 2011.

Sec. 3896.152. BORROWING MONEY. The district may borrow money
for a district purpose by issuing or executing bonds, notes, credit
agreements, or other obligations of any kind found by the board to be
necessary or appropriate for the district purpose. The bond, note,
credit agreement, or other obligation must be secured by and payable
from ad valorem taxes, assessments, or other district revenue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff.
June 17, 2011.

Sec. 3896.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a)
The district may impose an impact fee or assessment on property in
the district, including an impact fee or assessment on residential or
commercial property, only in the manner provided by Subchapter A,
Chapter 372, or Subchapter F, Chapter 375, Local Government Code, for
a municipality, county, or public improvement district, according to the benefit received by the property.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:
   (1) public water and wastewater facilities;
   (2) drainage and storm-water facilities; and
   (3) streets and alleys.

(c) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, or an expense of collection of an assessment, including reasonable attorney's fees, incurred by the district:
   (1) is a first and prior lien against the property assessed; and
   (2) is superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

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

(e) The district may not impose an impact fee on the property, including equipment and facilities, of a public utility provider in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.154. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.155. MAINTENANCE AND OPERATION TAX; ELECTION. (a) Except as provided by Section 3896.161, the district may impose a tax for maintenance and operation purposes, including for:
   (1) planning, constructing, acquiring, maintaining,
repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the maximum tax rate is approved by the governing body of the city and a majority of the district voters voting at an election held for that purpose. If the maximum tax rate is approved, the board may impose the tax at any rate that does not exceed the approved rate.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

(d) The proposition in a maintenance and operation tax election may be for a specific maximum rate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.156. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.157. BOND ISSUANCE PLAN REQUIRED BEFORE ISSUING BONDS. The district may not issue bonds until the governing body of the city approves a bond issuance plan authorizing and setting forth the limitations on the issuance of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.158. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. (a) Except as provided by Sections 3896.157 and 3896.161, the
district may issue, by competitive bid or negotiated sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the net proceeds the district receives from any other district revenue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.159. BOND MATURITY. Bonds must mature not more than 40 years from their date of issue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.160. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

(b) Bonds or other obligations that are secured by and payable
from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by:

(1) a majority of the district voters voting at an election held for that purpose; and

(2) the governing body of the city.

(c) The district shall hold an election required by this section in the manner provided by Chapter 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.161. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district may issue bonds, impose taxes, or borrow money, the district and the city must negotiate and execute a mutually approved and accepted interlocal project development agreement regarding the development plans and rules for:

(1) the development and operation of the district; and

(2) the financing of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.162. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3896.201. DISSOLUTION BY CITY ORDINANCE. (a) If the city adopts by a two-thirds vote of its governing body an ordinance to dissolve the district, the district is dissolved.

(b) The district may not be dissolved until the district's outstanding indebtedness or contractual obligations payable from ad valorem taxes have been repaid or discharged.
(c) The district may not be dissolved until any agreement under Section 3896.161 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.202. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) If the district is dissolved, the city has and may exercise all district powers to enforce and collect the assessments or other revenue to pay:

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

Sec. 3896.203. ASSUMPTION OF ASSETS AND LIABILITIES. (a) The district may not be dissolved by the city unless the city assumes the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 699 (H.B. 427), Sec. 1, eff. June 17, 2011.

CHAPTER 3897. TIMBER SPRINGS MUNICIPAL MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3897.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Timber Springs Municipal Management District.
(4) "Improvement project" means a project authorized by Subchapter C-1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing a municipality in which the district is located and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve a municipality or county in which the district is located from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant municipal and county services provided in the district.
Sec. 3897.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) providing quality residential housing; and
(4) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.
Sec. 3897.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under Section 3897.115 or other law.

(b) A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect:

1. the district's organization, existence, or validity;
2. the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;
3. the district's right to impose or collect an assessment, tax, or any other revenue; or
4. the legality or operation of the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created by a municipality in which the district is located under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created by a municipality in which the district is located under Chapter 312, Tax Code;
3. an enterprise zone created by a municipality in which the district is located under Chapter 2303, Government Code; or
4. an industrial zone created by a municipality in which the district is located under Chapter 42, Local Government Code.

(b) If a municipality in which the district is located creates a tax increment reinvestment zone described by Subsection (a), the municipality and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local
Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3897.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring May 31 of each even-numbered year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.052. ELECTION DATE. The board shall hold an election for directors on the uniform election date in May in even-numbered years.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.053. ELIGIBILITY. (a) To be qualified to serve as a director, a person must be:

(1) an owner of real property in the district; or

(2) an employee of a person described by Subdivision (1).

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.054. VACANCY. (a) The remaining directors shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3897.053.

(b) If there are fewer than three directors, the governing body of the largest municipality in which the district is located shall appoint the necessary number of directors to fill all board
Sec. 3897.055. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.057. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation a director may receive each year may not exceed $2,000.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3897.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.
Sec. 3897.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter, including a project described by Subchapter C-1, or under Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.
Sec. 3897.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3897.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including a county or a city, to provide law enforcement services in the district for a fee.

Sec. 3897.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 3897.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.
(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.109. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.110. ROAD DISTRICT POWERS; EXCEPTION. (a) Except as provided by Subsection (b) and Section 3897.117, the district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.

(b) The district may exercise any power granted by this chapter and by Chapter 441, Transportation Code, without regard to any provision or requirement of, or procedure or maintenance tax rate limitation prescribed by, Chapter 441, Transportation Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.111. CONFLICT WITH MUNICIPAL RULE, ORDER, OR ORDINANCE. To the extent a district rule conflicts with a rule, order, or ordinance of a municipality in which the district is located, the municipal rule, order, or ordinance controls.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.
Sec. 3897.112. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to each municipality in which the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.113. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.114. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OR FACILITY OF DISTRICT. (a) The board by rule may regulate the private use of a public roadway, open space, park, sidewalk, or similar public area or facility in the district. A rule may provide for the safe and orderly use of public roadways, open spaces, parks, sidewalks, and similar public areas or facilities.

(b) The board may require a permit for a parade, demonstration, celebration, entertainment event, or similar nongovernmental activity in or on a public roadway, open space, park, sidewalk, or similar public area or facility owned by the district. The board may charge a fee for the permit application or for public safety or security services for those facilities in an amount the board considers necessary.

(c) The board may require a permit or franchise agreement with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of the area or facility owned by the district on terms and on payment of a permit or franchise fee the board may impose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.
Sec. 3897.115. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory to the district, subject to Section 54.016, Water Code, or remove territory from the district, except that:

(1) the addition or removal of the territory must be approved by:
   (A) the governing body of the municipality in which the territory is located, as applicable; and
   (B) the owners of the territory being added or removed;
(2) a reference to a tax in Subchapter J, Chapter 49, or Section 54.016, Water Code, means an ad valorem tax; and
(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes or assessments levied or assessed on the territory are outstanding.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.116. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.117. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS

Sec. 3897.151. MUNICIPAL REQUIREMENTS. (a) An improvement project in a municipality must comply with any applicable municipal requirements, including codes and ordinances.

(b) The district may not provide, conduct, or authorize any improvement project on the municipality's streets, highways, rights-of-way, or easements without the consent of the governing body of
that municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project to be necessary to accomplish a public purpose of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.154. LAKE. For the purposes of this subchapter, planning, design, construction, improvement, or maintenance of a lake includes work done for drainage, reclamation, or recreation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.155. WATER. (a) An improvement project may include a supply and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater collection facility.

(b) The district may plan, design, construct, improve, maintain, or operate a water or sewer facility under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.
Sec. 3897.156. ROADS. An improvement project may include a paved, macadamized, or graveled road or street inside and outside the district, to the full extent authorized by Section 52, Article III, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.157. STORM WATER. An improvement project may include protection and improvement of the quality of storm water that flows through the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.158. PARKING OR HELIPORT. An improvement project may include the planning, design, construction, improvement, maintenance, and operation of an off-street parking facility or heliport.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.159. EDUCATION AND CULTURE. An improvement project may include the planning and acquisition of:
   (1) public art and sculpture and related exhibits and facilities; or
   (2) an educational facility and a cultural exhibit or facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.160. CONVENTION CENTER. An improvement project may include the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
   (1) a conference, convention, or exhibition;
(2) a manufacturer, consumer, or trade show;
(3) a civic, community, or institutional event; or
(4) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.161. DEMOLITION. An improvement project may include the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.162. MITIGATION OF ENVIRONMENTAL EFFECTS. An improvement project may include the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.163. ACQUISITION OF PROPERTY. If the governing body of the municipality where the improvement project is located consents, an improvement project may include the acquisition of property or an interest in property in connection with an improvement project, including a project authorized by Subchapter A, Chapter 372, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.164. SPECIAL OR SUPPLEMENTAL SERVICES. An improvement project may include a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or
adjacent to the district, including:
(1) advertising;
(2) promotion;
(3) tourism;
(4) health and sanitation;
(5) public safety;
(6) security;
(7) fire protection or emergency medical services;
(8) business recruitment;
(9) development;
(10) the elimination of traffic congestion; and
(11) recreational, educational, or cultural improvements, enhancements, and services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.165. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE. An improvement project may include the planning, design, construction, improvement, and maintenance of:
(1) landscaping;
(2) highway right-of-way or transit corridor beautification and improvement;
(3) lighting, banners, and signs;
(4) a street or sidewalk;
(5) a hiking and cycling path or trail;
(6) a pedestrian walkway, skywalk, crosswalk, or tunnel;
(7) a park, lake, garden, recreational facility, community activities center, dock, wharf, sports facility, open space, scenic area, or related exhibit or preserve;
(8) a fountain, plaza, or pedestrian mall; or
(9) a drainage or storm water detention improvement.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.166. SIMILAR IMPROVEMENT PROJECTS. An improvement project may include a public improvement, facility, or service similar to a project described by this subchapter.
Sec. 3897.201. GENERAL CONTRACT POWERS. The district may contract with any person, including a municipality or county in which the district is located, to accomplish any district purpose.

Sec. 3897.202. CONTRACT TERMS. (a) In this section, "note" includes a bond anticipation note.  
(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including an obligation to issue a negotiable or nonnegotiable note or warrant payable to a municipality, a county, or any other person for the payment or reimbursement of any district costs.

Sec. 3897.203. REIMBURSEMENT OF COSTS. The district may contract with any person for the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost.

Sec. 3897.204. CONTRACT FOR IMPROVEMENT PROJECT. (a) The district may contract with any person for the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project.  
(b) The district may apply for and contract with any person to
receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3897.251. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district may issue bonds, impose taxes, or borrow money, the district and each municipality in which the district is located must negotiate and execute a project development agreement regarding the development plans and rules for:

(1) the development and operation of the district; and
(2) the financing of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.252. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff.
June 17, 2011.

Sec. 3897.253. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.254. ASSESSMENTS. (a) The district may impose an assessment on property in the district to pay the cost or the cost of maintenance of any authorized district improvement in the manner provided for:

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

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

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

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

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

(c) The lien of an assessment against property runs with the land. The portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien, and any purchaser of property in a foreclosure of an ad
valorem tax lien takes the property subject to the assessment payment obligations that have not yet come due and to the lien and terms of the lien's payment under the applicable assessment ordinance or order.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.255. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.256. IMPACT FEES; EXEMPTION. (a) The district may impose an impact fee on property in the district, including an impact fee on residential or commercial property, only in the manner provided by Subchapter A, Chapter 372, or Subchapter F, Chapter 375, Local Government Code, for a municipality or county.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:
   
   (1) public water and wastewater facilities;
   (2) drainage and storm water facilities; and
   (3) streets and alleys.

(c) The district may not impose an impact fee on the property, including equipment and facilities, of a public utility provider in the district.
Sec. 3897.257. STORM WATER USER CHARGES. The district may establish user charges related to the operation of storm water facilities, including the regulation of storm water for the protection of water quality in the district.

Sec. 3897.258. NONPOTABLE WATER USER CHARGES. The district may establish user charges for the use of nonpotable water for irrigation purposes, subject to approval of the governing body of the municipality in which the user is located.

Sec. 3897.259. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including a municipality or county in which the district is located, all or part of the cost of an improvement project, including an improvement project:

(1) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or

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

Sec. 3897.260. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.
Sec. 3897.301. PROPERTY TAX AUTHORIZED. The district may impose an ad valorem tax on all taxable property in the district, including industrial, commercial, and residential property, to:

(1) pay for an improvement project of the types authorized by Section 52, Article III, and Section 59, Article XVI, Texas Constitution; or

(2) secure the payment of bonds issued for a purpose described by Subdivision (1).

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.302. TAXES FOR BONDS AND OTHER OBLIGATIONS; ELECTION. (a) If the district issues bond anticipation notes payable from future bond proceeds that are payable wholly or partly from an ad valorem tax, the bonds must have been previously approved at an election and meet the requirements of this section.

(b) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

(c) Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by a majority of the district voters voting at an election held for that purpose.

(d) The district shall hold an election required by this
section in the manner provided by Chapter 54, Water Code, and the Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.303. MAINTENANCE AND OPERATION TAX; ELECTION. (a) The district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the tax is approved by a majority of the district voters voting at an election held for that purpose. The proposition in a maintenance and operation tax election may be for a specific maximum rate or for an unlimited rate. If a maximum tax rate is approved, the board may impose the tax at any rate that does not exceed the approved rate.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.304. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.
Sec. 3897.305. TAX ABATEMENT. The district may enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to a tax abatement agreement by a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.306. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. (a) The district by competitive bid or negotiated sale may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, future bond proceeds, or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, including a bond anticipation note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or any other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable, wholly or partly, by a pledge of any part of the money the district receives from system or improvement revenue or from any other source, including future bond proceeds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.307. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. DISSOLUTION

Sec. 3897.351. DISSOLUTION BY MUNICIPAL ORDINANCE. The largest municipality in which the district is located may dissolve the
district by ordinance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.352. LIMITATION ON DISSOLUTION. The municipality may not dissolve the district until:

(1) the district's outstanding bonds have been repaid or defeased;

(2) the district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged; and

(3) each agreement under Section 3897.251 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.353. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

(a) If the dissolved district has obligations, other than bonds, outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the municipality in which the project that generated the revenue is located shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

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

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.
Sec. 3897.354. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the municipality dissolves the district, the municipality assumes the obligations of the district, including any debt payable from assessments or other district revenue. (b) If the municipality dissolves the district, the board shall transfer ownership of all district property to the municipality in which the property is located, or if the property is not located in a municipality, to the county in which the property is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

CHAPTER 3898. FORT BEND COUNTY IMPROVEMENT DISTRICT NO. 24
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 3898.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston.
(3) "County" means Fort Bend County.
(4) "Director" means a board member.
(5) "District" means the Fort Bend County Improvement District No. 24.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has
established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) developing or expanding transportation and commerce; and
(4) providing quality residential housing.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping, removing graffiti from, and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of
scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.005. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project. A project may not receive public funds under Section 380.002(b), Local Government Code, unless the project has been approved by the governing body of the city.

(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(b), Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3898.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.
Sec. 3898.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY CITY. (a) To be qualified to serve as a director appointed by the governing body of the city, a person must be:

(1) a resident of the district who is also a registered voter of the district;
(2) an owner of property in the district;
(3) an owner of stock or a partnership or membership interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the district;
(4) an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the district;
(5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4); or
(6) an initial director under Section 3898.062.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors from persons recommended by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.054. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.
Sec. 3898.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.056. QUORUM. A vacant director position is not counted for purposes of establishing a quorum.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation a director may receive each year may not exceed $2,000.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and
insures a director against personal liability and from all claims relating to:

1. actions taken by the director in the director's capacity as a member of the board;
2. actions and activities taken by the district; or
3. the actions of others acting on behalf of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.060. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.061. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

For expiration of this section, see Subsection (e).

Sec. 3898.062. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jim Foreman</td>
</tr>
<tr>
<td>2</td>
<td>Erin Dyer</td>
</tr>
<tr>
<td>3</td>
<td>Scott Leafe</td>
</tr>
<tr>
<td>4</td>
<td>Belinda Meller</td>
</tr>
<tr>
<td>5</td>
<td>David Foor</td>
</tr>
</tbody>
</table>

(b) The terms of the initial directors expire June 1, 2015.
(c) Of the directors who replace an initial director, the terms of directors serving in positions 1, 2, and 3 expire June 1, 2017, and the terms of directors serving in positions 4 and 5 expire June 1, 2019.
(d) Section 3898.052 does not apply to this section.
(e) This section expires September 1, 2019.
Sec. 3898.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3898.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3898.103. LOCATION OF IMPROVEMENT PROJECT. An improvement project described by Section 3898.102 may be located:

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

Sec. 3898.104. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.
Sec. 3898.105. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Sec. 3898.106. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3898.107. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.
Sec. 3898.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.109. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and
(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3898.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board
by resolution shall establish the number of signatures and the
procedure required for a disbursement or transfer of the district's
money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff.
June 14, 2013.

Sec. 3898.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The
district may acquire, construct, finance, operate, or maintain an
improvement project or service authorized under this chapter or
Chapter 375, Local Government Code, using any money available to the
district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff.
June 14, 2013.

Sec. 3898.153. GENERAL POWERS REGARDING PAYMENT OF DISTRICT
BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or
secure the payment or repayment of any bond, note, or other temporary
or permanent obligation or reimbursement or other contract with any
person and the costs and expenses of the establishment,
administration, and operation of the district and the district's
costs or share of the costs or revenue of an improvement project or
district contractual obligation or indebtedness by:

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

(2) any other revenue or resources of the district, or
other revenue authorized by the city, including revenues from a tax
increment reinvestment zone created by the city under applicable law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff.
June 14, 2013.

Sec. 3898.154. PETITION REQUIRED FOR FINANCING SERVICES AND
IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
service or improvement project with assessments under this chapter
unless a written petition requesting that service or improvement has
been filed with the board.
(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county; or

(2) at least 25 persons who own real property in the district subject to assessment, if more than 25 persons own real property in the district subject to assessment as determined by the most recent certified tax appraisal roll for the county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.155. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is
paid. The board may enforce the lien in the same manner that the
board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the
assessment roll that does not increase the amount of assessment of
any parcel of land without providing notice and holding a hearing in
the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff.
June 14, 2013.

Sec. 3898.157. STORM WATER USER CHARGES. The district may
establish user charges related to the operation of storm water
facilities, including the regulation of storm water for the
protection of water quality in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff.
June 14, 2013.

Sec. 3898.158. NONPOTABLE WATER USER CHARGES. The district may
establish user charges for the use of nonpotable water for irrigation
purposes, subject to approval of the governing body of the city.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff.
June 14, 2013.

Sec. 3898.159. COSTS FOR IMPROVEMENT PROJECTS. The district
may undertake separately or jointly with other persons, including the
city or county, all or part of the cost of an improvement project,
including an improvement project:

(1) for improving, enhancing, and supporting public safety
and security, fire protection and emergency medical services, and law
enforcement in or adjacent to the district; or

(2) that confers a general benefit on the entire district
or a special benefit on a definable part of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff.
June 14, 2013.
Sec. 3898.160. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3898.201. TAX ABATEMENT. The district may enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to a tax abatement agreement by a municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.202. PROPERTY TAX AUTHORIZED. (a) The district may impose an ad valorem tax on all taxable property in the district to:

(1) pay for an improvement project of the types authorized by Section 52(b), Article III, and Section 59, Article XVI, Texas Constitution; or

(2) secure the payment of bonds issued for a purpose described by Subdivision (1).

(b) The district may not impose an ad valorem tax to pay for an improvement project under this chapter unless the imposition is approved by the voters of the district voting at an election held for that purpose. The board may call an election to approve the imposition of an ad valorem tax to pay for an improvement project under this chapter only if the board receives a petition requesting the election signed by:

(1) more than 51 percent of the record owners of real property in the district subject to taxation; or

(2) owners representing more than 51 percent of the appraised value of real property in the district subject to taxation, as determined by the tax rolls of the appraisal district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.
Sec. 3898.203. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.204. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff.
Sec. 3898.205. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.206. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

 Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

SUBCHAPTER F. DISSOLUTION

Sec. 3898.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

(b) The city may not dissolve the district until the district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, or the city has affirmatively assumed the obligation to pay the outstanding debt from city revenue.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.
Sec. 3898.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.253. CONCURRENCE ON ADDITIONAL POWERS. If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city consents to that change by resolution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.

Sec. 3898.254. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

Added by Acts 2013, 83rd Leg., R.S., Ch. 548 (S.B. 605), Sec. 1, eff. June 14, 2013.
CHAPTER 3899. NORTH FORT BEND COUNTY IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3899.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston.
(3) "County" means Fort Bend County.
(4) "Director" means a board member.
(5) "District" means the North Fort Bend County Improvement District No. 1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.002. NATURE OF DISTRICT. The North Fort Bend County Improvement District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.
Sec. 3899.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.
Sec. 3899.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;
3. right to impose or collect an assessment or tax; or
4. legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created under Chapter 312, Tax Code;
3. an enterprise zone created under Chapter 2303, Government Code; or
4. an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff.
Sec. 3899.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3899.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 voting directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.054. QUORUM. For purposes of determining the
requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3899.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.
Sec. 3899.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.
Sec. 3899.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.
Sec. 3899.110. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

Sec. 3899.111. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership under Section 43.0751, Local Government Code, with a municipality in whose extraterritorial jurisdiction the district is located.

Sec. 3899.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3899.151. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Sec. 3899.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board
by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.153. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.154. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.155. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The
board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.157. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3899.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3899.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3899.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.206. TAXES AND BONDS FOR RECREATIONAL FACILITIES. (a) The limitation on the outstanding principal amount of bonds, notes, and other obligations under Section 49.4645, Water Code, does not apply to the district.

(b) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff.
SUBCHAPTER F.  DEFINED AREAS

Sec. 3899.251.  AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY.  The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.252.  PROCEDURE FOR ELECTION.  (a)  Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3899.251, the board shall call and hold an election in the defined area or within the boundaries of the designated property only.

(b)  The board may submit the proposition to the voters on the same ballot to be used in another election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.253.  DECLARING RESULT AND ISSUING ORDER.  (a)  If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b)  The board's order is not subject to judicial review except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.254.  TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES
IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3899.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

Sec. 3899.255. ISSUANCE OF BONDS FOR DEFINED AREAS OR DESIGNATED PROPERTY. After the order under Section 3899.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2011, 82nd Leg., R.S., Ch. 857 (H.B. 3834), Sec. 1, eff. June 17, 2011.

CHAPTER 3900. MONTECILLO MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3900.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of El Paso, Texas.
(3) "County" means El Paso County, Texas.
(4) "Director" means a board member.
(5) "District" means the Montecillo Municipal Management District No. 1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff.
Sec. 3900.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or county from providing the level of services provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the city and county services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to:
(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(e) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.005. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to contract;
(3) authority to borrow money or issue bonds or other obligations described by Section 3900.201 or to pay the principal and interest of the bonds or other obligations;
right to impose or collect a tax or an assessment, or collect other revenue; or
legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:
(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:
(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and
(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3900.201.

(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.
Sec. 3900.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3900.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring May 31 of each even-numbered year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.052. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.053. VACANCY. If there are fewer than three directors, the governing body of the city shall appoint the necessary number of directors to fill all board vacancies.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.054. COMPENSATION; EXPENSES. (a) A director is entitled to receive fees of office of not more than $150 a day for each day the director spends performing the director's duties.

(b) A director is entitled to receive reimbursement for actual
expenses reasonably and necessarily incurred while engaging in activities on behalf of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3900.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.102. PUBLIC IMPROVEMENT DISTRICT POWERS: LIMITATION. The district has the powers provided by Chapter 372, Local Government Code, to a municipality. The district may not exercise public improvement district powers in a municipality's extraterritorial jurisdiction.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.104. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Sections 52(b) and 52-a, Article III, Texas Constitution, including Chapters 365 and 441, Transportation Code.
Sec. 3900.105. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Sec. 3900.106. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code; or
(2) Chapter 375, Local Government Code.

Sec. 3900.107. IMPROVEMENT PROJECTS AND SERVICES IN GENERAL. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3900.108. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government
Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.109. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
    (1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
    (2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.110. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.111. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the
district for a fee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.112. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.113. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.114. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.
(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.115. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.116. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3900.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter using any money available to the district.
Sec. 3900.153. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.154. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3900.201. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, including revenue from a tax increment reinvestment zone created under Chapter 311, Tax Code, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.202. APPROVAL BY CITY; BOND ISSUANCE PLAN. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

(1) the issuance of bonds for an improvement project;
(2) the plans and specifications of an improvement project financed by the bonds; and

(3) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds until the governing body of the city approves a bond issuance plan authorizing and setting forth the limitations on the issuance of the bonds.

(c) If the district obtains the approval of the city of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.203. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations payable from any source other than ad valorem taxation.

(b) The district must hold an election to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.204. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election, the district may impose an operation and maintenance tax in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff.
Sec. 3900.205. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may make payments under a contract from taxes other than operation and maintenance taxes after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.206. TAXES FOR BONDS. (a) At the time the district issues bonds payable from ad valorem taxes, the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, as required by Section 54.601, Water Code.

(b) The board shall annually impose the tax while all or part of the bonds are outstanding. Sections 54.601 and 54.602, Water Code, govern the amount and rate of the tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.207. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

Sec. 3900.208. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district may issue bonds, impose taxes, impose assessments, or borrow money, the district and the city must negotiate and execute a mutually approved
and accepted project development agreement regarding the development plans and rules for:

(1) the development and operation of the district; and
(2) the financing of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 856 (H.B. 3831), Sec. 1, eff. September 1, 2011.

CHAPTER 3901. BRIDGELAND MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3901.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston, Texas.
(3) "Commission" means the Texas Commission on Environmental Quality.
(4) "County" means Harris County.
(5) "Director" means a board member.
(6) "District" means the Bridgeland Management District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.002. CREATION AND NATURE OF DISTRICT; IMMUNITY. (a) The district is a special district created under Section 59, Article XVI, Texas Constitution.
(b) The district is a governmental unit, as provided by Section 375.004, Local Government Code.
(c) This chapter does not waive any governmental or sovereign immunity from suit, liability, or judgment that would otherwise apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 897 (S.B. 1362), Sec. 1, eff. June 18, 2015.

Sec. 3901.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 3901.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.005. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district, the legislature has established a program to accomplish the public purposes set out in Sections 52 and 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city, the county, or another governmental entity from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant governmental services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.
Sec. 3901.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways, road facilities, transit facilities, parking facilities, conduit facilities and other enhanced infrastructure, recreational facilities, and public art objects and by landscaping and developing certain areas, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 897 (S.B. 1362), Sec. 2, eff. June 18, 2015.
Sec. 3901.007. DISTRICT TERRITORY.  (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under Section 3901.114 or other law.

(b) The boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond, note, or other obligation for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  All or any part of the area of the district is eligible to be included in one or more of the following:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 897 (S.B. 1362), Sec. 3, eff. June 18, 2015.

Sec. 3901.009. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW.  Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.
Sec. 3901.010. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.011. CONFLICTS OF LAW. This chapter prevails over any provision of general law, including a provision of Chapter 375, Local Government Code, or Chapter 49, Water Code, that is in conflict or inconsistent with this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 897 (S.B. 1362), Sec. 4, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3901.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors elected or appointed as provided by this chapter and Subchapter D, Chapter 49, Water Code. 
(b) Except as provided by Section 3901.053, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.052. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff.
For expiration of this section, see Subsection (e).

Sec. 3901.053. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 3901.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 3901.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 3901.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

(e) This section expires September 1, 2019.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.054. DISQUALIFICATION OF DIRECTORS. Section 49.052, Water Code, applies to the members of the board of the district.
Sec. 3901.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or under Chapter 375, Local Government Code.

(b) An improvement project described by Subsection (a) may be located inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.103. RECREATIONAL FACILITIES. The district may develop or finance recreational facilities as authorized by Chapter 375, Local Government Code, Sections 52 and 52-a, Article III, Texas Constitution, Section 59, Article XVI, Texas Constitution, and any other law that applies to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Amended by:
Acts 2015, 84th Leg., R.S., Ch. 897 (S.B. 1362), Sec. 6, eff. June 18, 2015.
Sec. 3901.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may own, operate, maintain, design, acquire, construct, finance, issue bonds, notes, or other obligations for, improve, and convey to this state, a county, or a municipality, for ownership, operation, and maintenance, macadamized, graveled, or paved roads or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 897 (S.B. 1362), Sec. 7, eff. June 18, 2015.

Sec. 3901.105. CONVEYANCE AND APPROVAL OF ROAD PROJECT. (a) The district may convey a road project authorized by Section 3901.104 to:
(1) a municipality or county that will operate and maintain the road if the municipality or county has approved the plans and specifications of the road project; or
(2) the state if the state will operate and maintain the road and the Texas Transportation Commission has approved the plans and specifications of the road project.

(b) Except as provided by Subsection (c), the district shall operate and maintain a road project authorized by Section 3901.104 that the district implements and does not convey to a municipality, a county, or this state under Subsection (a).

(c) The district may agree in writing with a municipality, a county, or this state to assign operation and maintenance duties to the district, the municipality, the county, or this state in a manner other than the manner described in Subsections (a) and (b).

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 897 (S.B. 1362), Sec. 8, eff. June 18, 2015.

Sec. 3901.106. DEVELOPMENT CORPORATION POWERS. The district,
using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.107. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.108. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.109. LAW ENFORCEMENT SERVICES. Section 49.216, Water
Sec. 3901.110. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.111. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and
(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.112. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with the city under Section 43.0751, Local Government Code.
Sec. 3901.113. REGIONAL PARTICIPATION AGREEMENT. The district may negotiate and enter into a written regional participation agreement with the city under Section 43.0754, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.114. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

(c) The district may include and exclude land as provided by Sections 54.739-54.747, Water Code. A reference in those sections to a "tax" means an ad valorem tax for the purposes of this subsection.

(d) If the district adopts a sales and use tax authorized at an election held under Section 3901.252 and subsequently includes new territory in the district under this section, the district:

(1) is not required to hold another election to approve the imposition of the sales and use tax in the included territory; and

(2) shall impose the sales and use tax in the included territory as provided by Chapter 321, Tax Code.

(e) If the district adopts a sales and use tax authorized at an election held under Section 3901.252 and subsequently excludes territory in the district under this section, the sales and use tax is inapplicable to the excluded territory, as provided by Chapter 321, Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 897 (S.B. 1362), Sec. 10, eff. June 18, 2015.
Sec. 3901.115. APPLICABILITY OF OTHER LAW TO CERTAIN CONTRACTS. (a) Subchapter I, Chapter 49, Water Code, applies to a district contract for construction work, equipment, materials, or machinery. The district may use a project delivery method described by Subchapter I, Chapter 49, Water Code, or Subchapter H, Chapter 271, Local Government Code.

(b) Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.116. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.117. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C-1. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES
Sec. 3901.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area in the district.

(b) The board may not act under Subsection (a) unless a written petition requesting the action has been filed with the board.

(c) The petition must be signed by:

(1) the owners of property representing a majority of the total assessed value of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located; or
(2) the owners of a majority of the area of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located.

(d) For purposes of Subsection (c), the determination of a majority is based on the property owners along the entire right-of-way of the proposed transit project and may not be calculated on a block-by-block basis.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.152. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.153. RULES. In addition to rules and regulations adopted under the district's general rulemaking authority in Section 375.096(c), Local Government Code, the district may adopt and enforce rules covering its public transit system or its public parking facilities, except that a rule relating to or affecting the use of the public right-of-way or a requirement for off-street parking is subject to all applicable county requirements.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.
Sec. 3901.154. FEES. The district may impose a fee for the use of the public transit system and associated parking facilities.

Sec. 3901.155. AGREEMENT WITH RAPID TRANSIT AUTHORITY. (a) In this section, "authority" means a rapid transit authority created under Chapter 451, Transportation Code.

(b) The district and an authority may agree to jointly construct, own, operate, and maintain a transit facility or a parking facility under the terms the authority and district desire.

(c) The agreement may provide that the district and the authority exchange or trade land provided that each party to the agreement receives fair market value. The authority is not required to offer any property that it proposes to trade to the district for sale to the public or for sale to any abutting property owner.

Sec. 3901.156. MASS TRANSIT SYSTEMS. This subchapter does not limit the authority of the district to provide mass transit systems under Chapter 375, Local Government Code.
(2) electronic transmission and distribution lines and supporting facilities; or
(3) other types of transmission and distribution lines and supporting facilities.

(b) The district may not require a person to use a district conduit for a purpose described by Subsection (a)(1) or another telecommunications purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 897 (S.B. 1362), Sec. 13, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3901.201. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, maintain, or provide any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.202. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:
(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county; or
(2) at least 50 persons who own real property in the district subject to assessment, if more than 50 persons own real property in the district according to the most recent certified tax appraisal roll for the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.
Sec. 3901.203. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.204. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district regardless of whether the part of the district where the assessment is to be imposed is subject to an assessment previously imposed by the board.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district are:

(1) a first and prior lien against the property assessed;
(2) superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 897 (S.B. 1362), Sec. 14, eff. June 18, 2015.
Sec. 3901.205. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.206. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS. The district may not impose an assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.207. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue by competitive bid or negotiated sale bonds, notes, or other obligations payable wholly or partly from taxes, assessments, fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(b) In addition to any other terms authorized by the board by bond order or resolution, the proceeds of the district's bonds may be used for a reserve fund, credit enhancement, or capitalized interest for the bonds.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff.
June 17, 2011.

Sec. 3901.208. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.209. AUDIT EXEMPTION. (a) The district may elect to complete an annual financial report in lieu of an annual audit under Section 375.096(a)(6), Local Government Code, if:

(1) the district had no bonds or other long-term (more than one year) liabilities outstanding during the fiscal period;

(2) the district did not have gross receipts from operations, loans, taxes, assessments, or contributions in excess of $250,000 during the fiscal period; and

(3) the district's cash and temporary investments were not in excess of $250,000 during the fiscal period.

(b) Each annual financial report prepared in accordance with this section must be open to public inspection and accompanied by an affidavit signed by a duly authorized representative of the district attesting to the accuracy and authenticity of the financial report.

(c) The annual financial report and affidavit shall be substantially similar in form to the annual financial report and affidavit forms prescribed by the executive director of the Texas Commission on Environmental Quality under Section 49.198, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 897 (S.B. 1362), Sec. 15, eff. June 18, 2015.

**SUBCHAPTER E. SALES AND USE TAX**

Sec. 3901.251. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.
(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.252. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) The board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the Bridgeland Management District at a rate not to exceed ____ percent" (insert rate of one or more increments of one-eighth of one percent).

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.253. SALES AND USE TAX RATE. (a) On or after the date the results are declared of an election held under Section 3901.252, at which the voters approved imposition of the tax authorized by this subchapter, the board shall determine and adopt by resolution or order the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) After the election held under Section 3901.252, the board may increase or decrease the rate of the tax by one or more increments of one-eighth of one percent.

(c) The initial rate of the tax or any rate resulting from subsequent increases or decreases may not exceed the lesser of:

(1) the maximum rate authorized by the district voters at the election held under Section 3901.252; or

(2) a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate prescribed by Section 321.101(f), Tax Code, at any location in the district.
Sec. 3901.254. TAX AFTER ANNEXATION. (a) This section applies to the district after a municipality annexes part of the territory in the district and imposes the municipality's sales and use tax in the annexed territory.

(b) If at the time of annexation the district has outstanding debt or other obligations payable wholly or partly from district sales and use tax revenue, Section 321.102(g), Tax Code, applies to the district.

(c) If at the time of annexation the district does not have outstanding debt or other obligations payable wholly or partly from district sales and use tax revenue, the district may:

(1) exclude the annexed territory from the district, if the district has no outstanding debt or other obligations payable from any source; or

(2) reduce the sales and use tax in the annexed territory by resolution or order of the board to a rate that, when added to the sales and use tax rate imposed by the municipality in the annexed territory, is equal to the sales and use tax rate imposed by the district in the district territory that was not annexed by the municipality.

Sec. 3901.255. NOTIFICATION OF RATE CHANGE. The board shall notify the comptroller of any changes made to the tax rate under this subchapter in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

Sec. 3901.256. USE OF REVENUE. Revenue from the sales and use tax imposed under this subchapter is for the use and benefit of the district and may be used for any district purpose. The district may
pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.257. ABOLITION OF TAX. (a) Except as provided by Subsection (b), the board may abolish the tax imposed under this subchapter without an election.

(b) The board may not abolish the tax imposed under this subchapter if the district has outstanding debt secured by the tax, and repayment of the debt would be impaired by the abolition of the tax.

(c) If the board abolishes the tax, the board shall notify the comptroller of that action in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

(d) If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held under Section 3901.252 before the district may subsequently impose the tax.

(e) This section does not apply to a decrease in the sales and use tax authorized under Section 3901.254(c)(2).

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. HOTEL OCCUPANCY TAX

Sec. 3901.301. DEFINITION. In this subchapter, "hotel" has the meaning assigned by Section 156.001, Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.302. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) In this subchapter:

(1) a reference in Subchapter A, Chapter 352, Tax Code, to
(2) a reference in Subchapter A, Chapter 352, Tax Code, to the commissioners court is a reference to the board.

(b) Except as inconsistent with this subchapter, Subchapter A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized by this subchapter, including the collection of the tax, subject to the limitations prescribed by Sections 352.002(b) and (c), Tax Code.

Sec. 3901.303. TAX AUTHORIZED; USE OF REVENUE. The district may impose a hotel occupancy tax for any purpose described by Section 351.101 or 352.101, Tax Code.

Sec. 3901.304. TAX RATE. (a) The amount of the hotel occupancy tax may not exceed the lesser of:

(1) the maximum rate prescribed by Section 352.003(a), Tax Code; or

(2) a rate that, when added to the rates of all hotel occupancy taxes imposed by other political subdivisions with territory in the district and by this state, does not exceed the sum of the rate prescribed by Section 351.0025(b) plus two percent.

(b) The district tax is in addition to a tax imposed by the city under Chapter 351, Tax Code, or by the county under Chapter 352, Tax Code.

Sec. 3901.305. INFORMATION. The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a county.
Sec. 3901.306. USE OF REVENUE. The district may use revenue from the hotel occupancy tax for a district purpose. The district may pledge any part of the revenue to the payment of bonds, notes, or other obligations and combine the pledged revenue with revenue from other sources.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

Sec. 3901.307. ABOLITION OF TAX. (a) Except as provided by Subsection (b), the board may abolish the tax imposed under this subchapter.

(b) The board may not abolish the tax imposed under this subchapter if the district has outstanding debt secured by the tax, and repayment of the debt would be impaired by the abolition of the tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 3901.351. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

Added by Acts 2011, 82nd Leg., R.S., Ch. 861 (H.B. 3842), Sec. 1, eff. June 17, 2011.

For contingent expiration of this chapter, see Section 3902.301.

CHAPTER 3902. CLUB MUNICIPAL MANAGEMENT DISTRICT NO. 1
Sec. 3902.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Capital improvement plan" means a plan created under Section 3902.110.
(3) "City" means the City of Heath, Texas.
(4) "Development agreement" means an agreement created under Section 3902.109.
(5) "Director" means a board member.
(6) "District" means the Club Municipal Management District No. 1.
(7) "Financial plan" means a plan created under Section 3902.154.
(8) "Improvement project" means a project authorized by Subchapter C-1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.003. PRIMARY PURPOSE; MIXED-USE RESIDENTIAL AND COMMERCIAL DEVELOPMENT. The primary purpose of the district is to facilitate the construction and continued maintenance of a quality mixed-use residential and commercial development to benefit city residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.004. ADDITIONAL PURPOSES; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI,
Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city, Rockwall County, or Kaufman County from providing or requiring the city or the counties to provide the level of services provided as of the effective date of the Act enacting this chapter to the area in the district as the city or counties do to similarly situated property in the city. The district is created to supplement and not to supplant city and county services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic beauty.

(d) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(e) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to contract;
3. authority to borrow money or issue bonds or other obligations described by Section 3902.253 or to pay the principal and interest of the bonds or other obligations;
4. right to impose or collect an assessment, or collect other revenue; or
5. legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.007. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:

(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and

(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3902.253.

(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.008. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW; PURPOSE. (a) Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.

(b) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.009. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3902.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring May 31 of each even-numbered year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.052. QUALIFICATIONS. (a) To be qualified to serve as a director, a person must:

(1) meet the qualifications prescribed by Section 375.063, Local Government Code;
(2) be a partner of a partnership that owns property in the district;
(3) be a shareholder, director, or officer of a corporation that owns property in the district;
(4) be a member, manager, or officer of a limited liability company that owns property in the district;
(5) be a member, manager, or officer of a limited liability company that is a partner of a partnership that owns property in the district; or
(6) reside in the city.

(b) Section 49.052, Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.053. APPOINTMENT OF DIRECTORS. (a) In this section, "homeowner" means a person who owns residential property in the district that is used for personal, family, or household purposes.

(b) Before 500 residential units in the district are sold to homeowners, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the governing body of the city requesting that the governing body appoint as directors three persons from persons named in the petition.

(c) After 500 residential units in the district are sold to homeowners:

(1) a majority of the homeowners in the district may submit
a petition to the governing body of the city requesting that the
governing body appoint as directors two persons from persons named in
the petition; and

(2) the owner or owners of a majority of the assessed value
of the real property in the district that is not residential property
may submit a petition to the governing body of the city requesting
that the governing body appoint as director one person from persons
named in the petition.

(d) The governing body of the city shall appoint five
directors. The appointments may include one or more of the persons
named in the petitions.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.054. EX OFFICIO DIRECTORS. (a) The governing body
of the city may appoint up to three persons to serve ex officio as
nonvoting directors.

(b) An ex officio director is not counted for purposes of
determining a quorum.

(c) Section 3902.052 does not apply to this section.

(d) An ex officio director:

(1) is entitled to all notices and information given to and
accessible to a director; and

(2) may attend any board meeting, regardless of whether the
meeting is open or closed to the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.055. VACANCY. The remaining directors shall appoint
a person to fill a vacancy for the remainder of the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.056. COMPENSATION; EXPENSES. (a) The board may
compensate each director in an amount not to exceed $50 for each
board meeting. The total amount of compensation for each director in a calendar year may not exceed $2,000.

(b) A director is entitled to reimbursement for actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district under a policy established by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3902.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.103. DEVELOPMENT CORPORATION POWERS. If approved by the governing body of the city, the district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.104. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and
reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.105. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapters 365 and 441, Transportation Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.106. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.107. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.108. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1,
Sec. 3902.109. DEVELOPMENT AGREEMENT. The city may enter into an agreement with each person who owns land in the district at the time the agreement is executed that relates to any aspect of the development of property in or outside the district, including a provision agreed to by the city and an owner relating to:

(1) a type of improvement;
(2) density of development;
(3) timing of construction of an improvement; and
(4) aesthetics.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.110. CAPITAL IMPROVEMENT PLAN. (a) The district shall prepare a plan that includes:

(1) a description of each improvement project to be constructed in the district;
(2) the timing of construction for each improvement project to be constructed in the district;
(3) the financing and general budget of each improvement project to be constructed in the district; and
(4) any other information the city needs to make a decision on the plan.

(b) The district shall submit the plan to the city for approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.111. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.
Sec. 3902.112. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.113. ADDING OR REMOVING TERRITORY; CITY APPROVAL. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory to the district, subject to Section 54.016, Water Code, or remove territory from the district, except that:

(1) the addition or removal of the territory must be approved by three-fourths of all the members of the governing body of the city; and

(2) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from assessments levied or assessed on the territory are outstanding.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.114. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.
Sec. 3902.115. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3902.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project:

(1) is necessary to accomplish a public purpose of the district; and

(2) complies with the development agreement or the parties to the development agreement agree to the project, in writing.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.153. CITY APPROVAL REQUIRED. The district may not undertake an improvement project unless the district obtains approval from the governing body of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.154. FINANCIAL PLAN. (a) The district shall prepare
a financial plan that details the cost, method of financing, cost of financing, and feasibility of financing for each improvement to be constructed by the district.

(b) The district shall submit the plan to the city for approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.155. DEVELOPMENT AGREEMENT, CAPITAL IMPROVEMENT PLAN, AND FINANCIAL PLAN REQUIRED. The district may not undertake an improvement project or spend money for a project or service, including an economic development project or an expenditure for economic development incentives, unless the governing body of the city has approved:

(1) a development agreement; and
(2) a capital improvement plan and financial plan for the improvement project or expenditure.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.156. LOCATION OF IMPROVEMENT PROJECT OR SERVICE. An improvement project or service may be located:

(1) in the district; or
(2) outside the district if the project or service is necessary to extend, connect to, or increase the functionality of an improvement project or service in the district, including water and sewer utilities, a drainage improvement, and a road or street improvement.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.157. CITY REQUIREMENTS. (a) An improvement project in the city must comply with city ordinances and construction codes.

(b) The district may not provide, conduct, or authorize any improvement project on the city's streets, highways, rights-of-way,
or easements without the consent of the governing body of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.158. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and impose a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code; or
(2) Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.159. CONTRACTS. A contract to design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project is considered a contract for a good or service under Subchapter I, Chapter 271, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.160. CITY ORDINANCE, ORDER, OR RESOLUTION. (a) Unless the district and city agree otherwise, the city may by ordinance, order, or resolution:

(1) require that title to all or any portion of an improvement project vest in the city; or
(2) authorize the district to:
   (A) own, encumber, maintain, or operate an improvement project; or
   (B) convey the project to the city at a later date.

(b) The district shall immediately comply with a city ordinance, order, or resolution described by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.
SUBCHAPTER D.  DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3902.201.  DIVISION OF DISTRICT; PREREQUISITES; CITY APPROVAL.  The district may be divided into two or more new districts only if:

(1)  the district has no outstanding bonded debt; and
(2)  three-fourths of all members of the governing body of the city approve of each division.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.202.  LAW APPLICABLE TO NEW DISTRICT.  This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.203.  DIVISION PROCEDURES.  (a)  The board, on its own motion or on receipt of a petition signed by an owner of real property in the district, may adopt an order proposing to divide the district.

(b)  The board may not divide the district unless the division is approved by the governing body of the city by resolution.  The resolution may set terms for the division under Subsection (c).

(c)  If the board decides to divide the district, the board shall, subject to the city's resolution:

(1)  set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations;
(2)  prepare a metes and bounds description for each proposed district; and
(3)  appoint initial directors for each new district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.
Sec. 3902.204. NOTICE AND RECORDING OF ORDER. Not later than the 30th day after the date of an order dividing the district, the district shall:

(1) file the order with the Texas Commission on Environmental Quality; and

(2) record the order in the real property records of the county in which the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.205. CONTRACT AUTHORITY OF NEW DISTRICTS. (a) Except as provided by Subsection (b), the new districts may contract with each other for any matter the boards of the new districts consider appropriate.

(b) The new districts may not contract with each other for water and wastewater services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3902.251. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.252. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.
Sec. 3902.253. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose without holding an election by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract or other agreement payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):

(1) may bear interest at a rate determined by the board; and

(2) may include a term or condition as determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.254. DEVELOPMENT AGREEMENT, CAPITAL IMPROVEMENT PLAN, AND FINANCIAL PLAN REQUIRED. (a) Before the district borrows money or issues an obligation under Section 3902.253, the district must submit and the governing body of the city must approve a capital improvement plan, a financial plan, and a development agreement that describe the method of:

(1) borrowing the money or issuing that type of obligation; and

(2) using the proceeds that result from borrowing the money or issuing the obligation.

(b) Before the district issues an obligation described in the capital improvement plan, financial plan, and development agreement, the district shall:

(1) provide the governing body of the city with the information required to make an informed decision relating to the obligation; and

(2) obtain approval from the governing body of the city for the obligation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.255. QUARTERLY REPORTING. (a) After the district
incurs an obligation described by Section 3902.253 and until all obligations of the district are paid in full or otherwise satisfied, the district shall submit a quarterly financial report to the city. (b) The report must be based on sound accounting methods and detail:
   (1) the obligation incurred;
   (2) the amount of the obligation that has been repaid; and
   (3) any other information the city requires.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.256. ASSESSMENTS. The district may impose an assessment on property in the district to pay for an obligation described by Section 3902.253 in the manner provided for:
   (1) a district under Subchapter F, Chapter 375, Local Government Code; or
   (2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.257. NOTICE OF ASSESSMENTS. (a) The board shall annually file written notice with the secretary of the city that specifies the assessments the district will impose in the district's next fiscal year in sufficient clarity to describe the assessments for the operation and maintenance of the district and the assessments for the payment of debt service of obligations issued or incurred by the district.
   (b) The board shall annually record in the deed records of Rockwall County a current assessment roll approved by the governing body of the city.
   (c) The assessment roll must clearly state that the assessments in the assessment roll are in addition to the ad valorem taxes imposed by other taxing units that tax real property in the district.
   (d) The district shall generate and implement a program to provide notification to a prospective purchaser of property in the district of the assessments that have been imposed by the district.
Sec. 3902.258. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.259. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. The city is not obligated to pay bonds, notes, or any other obligation of the district, including bonds or debt payable from assessments or other district revenue, unless the city assumes the district's obligations by a vote of three-fourths of the governing body of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.260. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.261. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.262. NO IMPACT FEES. The district may not impose an impact fee.
Sec. 3902.263. NO TAXATION POWER. The district may not impose a tax, including a sales tax and an ad valorem tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

SUBCHAPTER F. DISSOLUTION

Sec. 3902.301. AUTOMATIC DISSOLUTION. The district dissolves and this chapter expires on September 1, 2018, if:

(1) the district does not have outstanding debt or other obligations; and

(2) a developer does not begin, on or before September 1, 2018, to construct a road or other improvement project in the district that is to be financed with district bonds or other obligations in accordance with a capital improvement plan or financial plan approved by the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.302. DISSOLUTION BY CITY. (a) The city may dissolve the district by ordinance.

(b) The city may not dissolve the district until:

(1) the district's outstanding debt or contractual obligations have been repaid or discharged; or

(2) the city agrees to succeed to the rights and obligations of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.303. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue,
the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

Sec. 3902.304. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After dissolution, the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) On or before dissolution, the board shall transfer ownership of all district property to the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1195 (H.B. 3859), Sec. 1, eff. September 1, 2011.

CHAPTER 3903. FULSHEAR TOWN CENTER MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3903.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Fulshear.
(3) "County" means Fort Bend County.
(4) "Director" means a board member.
(5) "District" means the Fulshear Town Center Management District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.002. CREATION AND NATURE OF DISTRICT. The Fulshear
Town Center Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) The district is created to supplement and not to supplant city services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) developing or expanding transportation and commerce; and
(4) providing quality residential housing.
(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.005. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.
Sec. 3903.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created under Chapter 312, Tax Code;
3. an enterprise zone created under Chapter 2303, Government Code; or
4. an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project. A project may not receive public funds under Section 380.002(b), Local Government Code, unless the project complies with a development agreement entered into under Section 3903.207.

(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(b), Tax Code.

(d) A tax increment reinvestment zone or a tax abatement reinvestment zone may not include territory in the district unless the governing body of the city approves the inclusion.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.
Sec. 3903.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3903.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each even-numbered year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY CITY. (a) To be qualified to serve as a director appointed by the governing body of the city, a person must be:

(1) a resident of the district who is also a registered voter of the district;

(2) an owner of property in the district;

(3) an owner of stock or a partnership or membership interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the district;

(4) an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the district; or

(5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4).

(b) Section 49.052, Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.
Sec. 3903.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors from persons recommended by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.054. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

(b) A director shall file a copy of the director's oath or affirmation with the secretary of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.057. COMPENSATION; EXPENSES. A director is not entitled to compensation but is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1,
Sec. 3903.058. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;
(2) actions and activities taken by the district; or
(3) the actions of others acting on behalf of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.059. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.060. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3903.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.102. DEVELOPMENT CORPORATION POWERS. The district,
using money available to the district, may exercise the powers given
to a development corporation under Chapter 505, Local Government
Code, including the power to own, operate, acquire, construct, lease,
 improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1,
eff. June 17, 2011.

Sec. 3903.103. NONPROFIT CORPORATION. (a) The board by
resolution may authorize the creation of a nonprofit corporation to
assist and act for the district in implementing a project or
providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered to be a local
government corporation created under Subchapter D, Chapter 431,
Transportation Code; and

(2) may implement any project and provide any service
authorized by this chapter.

(c) The board shall appoint the board of directors of the
nonprofit corporation. The board of directors of the nonprofit
corporation shall serve in the same manner as the board of directors
of a local government corporation created under Subchapter D, Chapter
431, Transportation Code, except that a board member is not required
to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1,
eff. June 17, 2011.

Sec. 3903.104. AGREEMENTS; GRANTS. (a) As provided by Chapter
375, Local Government Code, the district may make an agreement with
or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function
or service for the purposes of Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1,
eff. June 17, 2011.

Sec. 3903.105. LAW ENFORCEMENT SERVICES. To protect the public
interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.107. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

   (1) make loans and grants of public money; and
   (2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

   (1) Chapter 380, Local Government Code, provides to a municipality; and
   (2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.108. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or
accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS

Sec. 3903.131. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.132. LOCATION OF IMPROVEMENT PROJECT. An improvement project described by Section 3903.131 may be located:

(1) in the district; or

(2) in an area outside but adjacent to the district if the project is for the purpose of extending a public infrastructure improvement beyond the district's boundaries to a logical terminus.
Sec. 3903.133. PREREQUISITES FOR IMPROVEMENT PROJECTS. The district may not construct an improvement project unless:

(1) the owner of the land on which the improvement project will be constructed records a plat in the map and plat records of the county in which the district is located; and

(2) the planning commission of the city approves the plat.

Sec. 3903.134. ADDITIONAL DISTRICT DUTIES REGARDING IMPROVEMENT PROJECTS. The district shall:

(1) submit written notice to the city administrator or the administrator's designee of the anticipated date construction of an improvement project will begin;

(2) construct the improvement project to comply with a development agreement entered into under Section 3903.207;

(3) comply with applicable city ordinances, resolutions, and regulations when constructing and maintaining an improvement project;

(4) allow a representative of the city to inspect an improvement project during construction to assess the project's compliance with applicable city ordinances, resolutions, and regulations;

(5) alter an improvement project to comply with applicable city ordinances, resolutions, and regulations if the representative of the city provides the district with written notice that the improvement project does not comply with applicable city ordinances, resolutions, and regulations; and

(6) obtain any necessary permits from city, county, state, or federal authorities to construct and maintain an improvement project.
Sec. 3903.135. LICENSE AND CERTIFICATION REQUIREMENTS. The district may not contract with or employ a person to plan or construct an improvement project unless the person is licensed or certified in an area relating to planning or construction, as applicable.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3903.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1,
Sec. 3903.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.
Sec. 3903.156. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3903.201. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.202. BOND MATURITY. Bonds may mature not more than 30 years from their date of issue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are
(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.204. ELECTION REQUIRED FOR TAXES OR BONDS. The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.205. HOTEL OCCUPANCY TAX. (a) The district may impose a hotel occupancy tax in the manner that Chapter 351, Tax Code, provides for a municipality.

(b) The district may use revenue from the tax for any purpose described by Section 351.101, Tax Code.

(c) The amount of the hotel occupancy tax may not exceed a rate that, when added to the rates of all hotel occupancy taxes imposed by other political subdivisions with territory in the district, does not exceed the rate prescribed by Section 351.003(a), Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.206. CERTAIN SINGLE-FAMILY RESIDENTIAL PROPERTY EXEMPT. (a) The district may not impose an assessment or tax on a single-family residential property that:

(1) is in the territory described by Section 2 of the Act
creating the district; and

(2) exists as of the effective date of the Act enacting this chapter.

(b) Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.207. DEVELOPMENT AGREEMENT. The district may enter into a development agreement that requires the district to reimburse a developer for the costs associated with constructing and maintaining an improvement project. The district may use revenue from taxes and assessments to reimburse a developer under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. DISSOLUTION

Sec. 3903.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

(b) The city may not dissolve the district until the district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, or the city has affirmatively assumed the obligation to pay the outstanding debt from city revenue.

(c) If the district enters a development agreement under Section 3903.207, the city may not dissolve the district until the agreement has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.
(a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

Sec. 3903.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1191 (H.B. 3827), Sec. 1, eff. June 17, 2011.

CHAPTER 3904. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 22

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3904.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Houston.

(3) "County" means Harris County.

(4) "Director" means a board member.

(5) "District" means the Harris County Improvement District No. 22.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.
Sec. 3904.002. NATURE OF DISTRICT. The Harris County Improvement District No. 22 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution. 

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.
(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:
(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3904.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 voting directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.
Sec. 3904.056. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3904.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.104. NONPROFIT CORPORATION. (a) The board by
resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit
organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1,
Sec. 3904.110. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.111. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership under Section 43.0751, Local Government Code, with a municipality in whose extraterritorial jurisdiction the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The
district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.156. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax approved by the district voters or a required payment for service provided by the district, including water and sewer services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.157. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.158. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1,
SUBCHAPTER E. TAXES AND BONDS

Sec. 3904.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3904.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3904.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.
Sec. 3904.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS.
(a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.206. BONDS FOR RECREATIONAL FACILITIES. The
limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. DEFINED AREAS

Sec. 3904.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3904.251, the board shall call and hold an election in the defined area or within the boundaries of the designated property only.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) The board's order is not subject to judicial review.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.
Sec. 3904.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3904.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

Sec. 3904.255. ISSUANCE OF BONDS FOR DEFINED AREAS OR DESIGNATED PROPERTY. After the order under Section 3904.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

SUBCHAPTER G. MUNICIPAL ANNEXATION AND DISSOLUTION

Sec. 3904.301. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The district is a "water or sewer district" under Section 43.071, Local Government Code.

(b) Section 43.075, Local Government Code, applies to the district.

(c) Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1266 (S.B. 1882), Sec. 1, eff. June 17, 2011.

CHAPTER 3905. NEAR NORTHSIDE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3905.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston, Texas.
(3) "County" means Harris County, Texas.
(4) "Director" means a board member.
(5) "District" means the Near Northside Management District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city and county services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.
Sec. 3905.004.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.005.  DISTRICT TERRITORY.  (a) The district is composed of the territory described by Section 2 of the Act enacting
this chapter, as that territory may have been modified under Section 3905.107 or other law.

(b) The boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity; or
(2) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code; or
(3) an enterprise zone created by the city under Chapter 2303, Government Code.

(b) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(a), Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and
purposes stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3905.051. GOVERNING BODY; TERMS. The district is governed by a board of nine directors who serve staggered terms of three years, with three directors' terms expiring June 1 of each year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the city shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members and the mayor vote to appoint that person.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors being residents of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the city;

(2) the chief of police of the city;

(3) the county's general manager of the Metropolitan Transit Authority of Harris County, Texas; and

(4) the president of each institution of higher learning located in the district.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another
department of the city that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of a nonprofit corporation that is actively involved in activities in the district to serve as a nonvoting ex officio director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.054. CONFLICTS OF INTEREST. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of board members.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.055. COMPENSATION. The district shall compensate a
director as provided by Section 49.060, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3905.101. HOUSING FINANCE CORPORATION POWERS. (a) The district has the powers of a housing finance corporation created under Chapter 394, Local Government Code.

(b) The district may exercise the powers to provide housing or residential development projects in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.102. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.103. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter
431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.104. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.
(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.105. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with the county or the city to provide law enforcement services in the district for a fee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.106. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.107. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the city under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.
Sec. 3905.108. ECONOMIC DEVELOPMENT PROGRAM. (a) The district may establish and provide for the administration of one or more programs to promote economic development and to stimulate business and commercial activity in the district, including programs to secure loans and receive grants of public money.

(b) The district may:

(1) contract with the federal government, the state, a political subdivision of the state, a nonprofit organization, or any other person for the administration of the program; and

(2) accept contributions, gifts, or other resources to develop and administer the program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.109. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with the city, county, or Houston Independent School District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.110. REAL PROPERTY. (a) The district may buy, sell, own, or lease real property.

(b) The district may receive real property as a gift from any person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.111. RECEIPT OF SURPLUS PROPERTY. The district may receive surplus property from a school district that is located in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff.
June 17, 2011.

Sec. 3905.112. PROJECT FOR EDUCATIONAL OPPORTUNITY. The district may own, lease, operate or manage a project to improve educational opportunities in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.113. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS**

Sec. 3905.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for the county; or

(2) at least 25 owners of land in the district, if more than 25 persons own property in the district according to the most recent certified tax appraisal roll for the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff.
Sec. 3905.153.  UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property of a person that provides to the public gas, electricity, telephone, sewage, or water service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.154.  MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.155.  TAX INCREMENT FINANCING POWERS. (a) The district may designate all or any part of the district as a tax increment reinvestment zone. The district may use tax increment financing under Chapter 311, Tax Code, in the manner provided by that chapter for a municipality, except as modified by this section.

(b) The district has all powers provided under Chapter 311, Tax Code.

(c) The district and an overlapping taxing unit may enter into an interlocal agreement for the payment of all or a portion of the tax increment of the unit to the district.

(d) For the purpose of tax increment financing under this section, the board functions as the board of directors of the reinvestment zone. Section 311.009, Tax Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 345 (H.B. 2139), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. DISSOLUTION
Sec. 3905.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

CHAPTER 3906. PORT ISABEL IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3906.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Port Isabel.
(3) "Director" means a board member.
(4) "District" means the Port Isabel Improvement District No. 1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in
Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) The district is created to supplement and not to supplant city services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

1. developing and diversifying the economy of the state;
2. eliminating unemployment and underemployment;
3. providing quality residential housing; and
4. developing or expanding transportation and commerce.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community; and
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and
necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under Section 3906.113 or other law.

(b) A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, or validity;
(2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;
(3) the district's right to impose or collect an assessment, tax, or any other revenue; or
(4) the legality or operation of the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code;
(3) an enterprise zone created by the city under Chapter 2303, Government Code; or
(4) an industrial district created by the city under Chapter 42, Local Government Code.
SUBCHAPTER B.  BOARD OF DIRECTORS

Sec. 3906.051.  GOVERNING BODY; TERMS.  The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Sec. 3906.052.  APPOINTMENT OF DIRECTORS.  The governing body of the city shall appoint directors.  Four directors must be appointed from persons recommended by the board as provided by Section 375.064, Local Government Code.

Sec. 3906.053.  QUALIFICATIONS.  (a)  The four directors recommended by the board must meet the qualifications described by Section 54.102, Water Code, and by Section 375.064, Local Government Code.

(b)  Section 49.052, Water Code, does not apply to the district.

Sec. 3906.054.  AFFIDAVIT AND ABSTENTION FROM VOTING REQUIRED. A director shall comply with Section 171.004, Local Government Code, including the disclosure and abstention requirements of that section.
Sec. 3906.055. REMOVAL OF DIRECTORS. Section 375.065, Local Government Code, governs the removal of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.056. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation a director may receive each year may not exceed $2,000.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.059. LIABILITY INSURANCE FOR DIRECTORS. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:
(1) actions taken by the director in the director's capacity as a member of the board;
(2) actions and activities taken by the district; or
(3) the actions of others acting on behalf of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3906.101. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.102. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 51, and 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.103. ROAD DISTRICT POWERS; EXCEPTION. (a) Except as provided by Subsection (b), the district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.

(b) The district may exercise any power granted by this chapter and by Chapter 441, Transportation Code, without regard to any provision or requirement of, or procedure prescribed by, Chapter 441, Transportation Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.
Sec. 3906.104. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Subchapter A, Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.105. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.106. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.107. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required
Sec. 3906.108. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.109. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.110. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.111. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:
   (1) Chapter 380, Local Government Code, provides to a municipality; and
   (2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.112. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.113. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.
Sec. 3906.114. LIMITED EMINENT DOMAIN POWER TO ACQUIRE SEAWALL.

(a) The district may acquire by condemnation any land, easements, or other property inside the district boundaries only as necessary for the construction of a seawall. The district may elect to condemn either the fee simple title or a lesser property interest.

(b) The district may not acquire by condemnation:

(1) any land, easements, or other property inside the district boundaries for a purpose other than constructing a seawall;
(2) any land, easements, or other property outside the district; or
(3) water or water rights.

(c) The district shall exercise the right of eminent domain in the manner provided by Chapter 21, Property Code. The district is not required to:

(1) give bond for appeal or bond for costs in a condemnation suit or other suit to which it is a party; or
(2) deposit more than the amount of an award in a suit.

(d) Section 375.094, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS

Sec. 3906.151. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project to be necessary to accomplish a public purpose of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.152. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be located:

(1) in the district; or
(2) in an area outside but adjacent to the district if the project is for the purpose of extending a public infrastructure
improvement beyond the district's boundaries to a logical terminus.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.153. MUNICIPAL REQUIREMENTS. An improvement project in a municipality must comply with any applicable municipal requirements, including codes and ordinances.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.154. LAKE OR OTHER BODY OF WATER. For the purposes of this subchapter, planning, design, construction, improvement, or maintenance of a lake or other body of water includes dredging, cleaning, widening, deepening, or other drainage, reclamation, or recreation work done to make the lake or other body of water navigable, clean, or safe for recreational use.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.155. WATER. (a) An improvement project may include a supply and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater collection facility.

(b) The district may plan, design, construct, improve, maintain, or operate a water or sewer facility under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.156. ROADS. An improvement project may include a paved, macadamized, or graveled road or street to the full extent authorized by Section 52, Article III, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1,
Sec. 3906.157. STORM WATER. An improvement project may include protection and improvement of the quality of storm water that flows through the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.158. EDUCATION AND CULTURE. An improvement project may include the planning and acquisition of:

(1) public art and sculpture and related exhibits and facilities; or
(2) an educational facility and a cultural exhibit or facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.159. CONVENTION CENTER. An improvement project may include the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:

(1) a conference, convention, or exhibition;
(2) a manufacturer, consumer, or trade show;
(3) a civic, community, or institutional event; or
(4) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.160. DEMOLITION. An improvement project may include the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1,
Sec. 3906.161. MITIGATION OF ENVIRONMENTAL EFFECTS; DEVELOPMENT AGREEMENT; TRANSIT PROJECT. An improvement project may include the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project if the acquisition:

(1) complies with a development agreement between the district and another person and the agreement conditions reimbursement of costs associated with the acquisition on the completion of substantial vertical development; or

(2) relates to a transit project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.162. ACQUISITION OF PROPERTY. An improvement project may include the acquisition of property or an interest in property in connection with an improvement project, including a project authorized by Subchapter A, Chapter 372, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.163. SPECIAL OR SUPPLEMENTAL SERVICES. An improvement project may include a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:

(1) a service listed in Section 375.112(a)(4), Local Government Code;

(2) tourism;

(3) fire protection or emergency medical services; or

(4) educational improvements, enhancements, and services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.
Sec. 3906.164. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE. An improvement project may include the planning, design, construction, improvement, and maintenance of:

(1) a project or service listed in Section 375.112(a)(1), Local Government Code;
(2) highway right-of-way or transit corridor beautification and improvement;
(3) a hiking and cycling path or trail;
(4) a pedestrian walkway;
(5) a garden, community activities center, dock, wharf, sports facility, open space, or related exhibit or preserve; or
(6) a bulkhead or other improvement designed to prevent erosion.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.165. SIMILAR IMPROVEMENT PROJECTS. An improvement project may include a public improvement, facility, or service similar to a project described by this subchapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3906.201. BORROWING MONEY. The district may borrow money for a district purpose by issuing or executing bonds, negotiable or nonnegotiable notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for a district purpose. The bond, note, credit agreement, or other obligation must be secured by and payable from any combination of ad valorem taxes, assessments, or any other district revenue or sources of money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.202. GENERAL POWERS REGARDING PAYMENT OF DISTRICT BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or
secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by:

(1) the imposition of an ad valorem tax or an assessment, user fee, concession fee, or rental charge; or

(2) any other revenue or resources of the district, including tax increment revenue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.203. ASSESSMENTS. (a) The district may impose an assessment on property in the district to pay the cost or the cost of maintenance of any authorized district improvement in the manner provided for:

(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or

(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed; and

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(c) The lien of an assessment against property runs with the land. The portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien, and any purchaser of property in a foreclosure of an ad valorem tax lien takes the property subject to the assessment payment obligations that have not yet come due and to the lien and terms of the lien's payment under the applicable assessment ordinance or
order.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.204. NOTICE OF ASSESSMENT. The board shall file notice of an assessment imposed with the county clerk of Cameron County and post the notice on the district's Internet website.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.205. STORM WATER USER CHARGES. The district may establish user charges related to the operation of storm water facilities, including the regulation of storm water for the protection of water quality in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.206. NONPOTABLE WATER USER CHARGES. The district may establish user charges for the use of nonpotable water for irrigation purposes, subject to approval of the governing body of the municipality in which the user is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.207. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including the city, all or part of the cost of an improvement project, including an improvement project:

(1) for improving, enhancing, and supporting public safety
and security, fire protection and emergency medical services, and law

(2) that confers a general benefit on the entire district

or a special benefit on a definable part of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.208. RESIDENTIAL PROPERTY NOT EXEMPT. Section

375.161, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3906.251. TAX ABATEMENT. The district may enter into a
tax abatement agreement in accordance with the general laws of this
state authorizing and applicable to a tax abatement agreement by a
municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.252. PROPERTY TAX AUTHORIZED. The district may
impose an ad valorem tax on all taxable property in the district to:

(1) pay for an improvement project of the types authorized

by Section 52(b), Article III, and Section 59, Article XVI, Texas

Constitution; or

(2) secure the payment of bonds issued for a purpose
described by Subdivision (1).

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.253. MAINTENANCE AND OPERATION TAX; ELECTION. (a)
The district may impose a tax for maintenance and operation purposes,
including for:
(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the tax is approved by a majority of the district voters voting at an election held for that purpose.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.254. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.255. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. (a) The district may issue by public or private sale bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, tax increment financing, or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or any other type of obligation.

(c) In addition to the sources of money described by Chapter 311, Tax Code, Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made
payable, wholly or partly, by a pledge of any part of the money the district receives from system or improvement revenue or from any other source.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.256. ISSUANCE AND APPROVAL OF OBLIGATION POWERS. The district has the powers provided by Chapter 1371, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.257. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.258. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.259. AUTHORITY TO ESTABLISH DEFINED AREAS OR
DESIGNATED PROPERTY. The district may define areas or designate certain property of the district in the manner provided by Subchapter J, Chapter 54, Water Code, regardless of the district's size, to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.260. NOTICE OF TAX. The district shall file notice of a tax imposed with the county clerk of Cameron County and post the notice on the district's Internet website.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. TAX INCREMENT REINVESTMENT ZONE

Sec. 3906.301. DISTRICT AS TAX INCREMENT REINVESTMENT ZONE. Without further authorization or procedural requirement, the district is a tax increment reinvestment zone under Chapter 311, Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.302. BOARD; POWERS. (a) The district's board is the board of directors of the tax increment reinvestment zone.

(b) The district's board has the powers of the board of directors of a tax increment reinvestment zone granted under Chapter 311, Tax Code, including:

(1) the powers granted to a municipality under Section 311.008, Tax Code, subject to the limitations in Section 311.010, Tax Code; and

(2) the power under Section 311.010(c), Tax Code, to restrict the use of property in the zone under Chapter 211, Local Government Code.

(c) Section 311.009, Tax Code, does not apply to the tax increment reinvestment zone board.
Sec. 3906.303. BASE YEAR VALUE. The base year value of the district, for tax increment financing purposes, is the value as of January 1, 2011, of all taxable real property in the district as shown on the certified tax rolls of the central appraisal district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.304. INTERLOCAL AGREEMENTS ALLOWED. The district and an overlapping taxing unit may enter into an interlocal agreement for the payment of all or a portion of the tax increment of the unit to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.305. USE OF MONEY. The district may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.306. CITY CONSENT; DURATION. The city may, in its consent to the creation of the district, determine the portion of tax increment to be paid to the district and the initial duration of the tax increment reinvestment zone.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.
Sec. 3906.307. RESTRICTIONS ON AREA NOT APPLICABLE. The area of the district that is a tax increment reinvestment zone is not subject to the limitations provided by Section 311.006(b), Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 3906.351. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, except that Section 375.264, Local Government Code, does not apply to the district.

(b) The board may dissolve the district regardless of whether the district has debt.

(c) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.352. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.
Sec. 3906.353. ASSUMPTION OF ASSETS AND LIABILITIES. If the city dissolves the district:

(1) the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue; and

(2) the board shall transfer ownership of all district property to the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

For contingent expiration of this chapter, see Section 3907.002.

CHAPTER 3907. WINDSOR HILLS MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3907.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Midlothian, Texas.

(3) "Development agreement" means a development agreement between the city and One Windsor Hills, L.P., that establishes the standards that apply to development in the district, in addition to those contained in zoning, subdivision, and other applicable ordinances of the city.

(4) "Director" means a board member.

(5) "District" means the Windsor Hills Municipal Management District No. 1.

(6) "Finance plan" means a finance plan between the city and the district that includes a general description of improvement projects or services that will be financed by the district, an estimate of the costs for the improvement projects or services, an estimate of the amount of the costs for the improvement projects or services that the district will pay directly or that will be reimbursed to the developer, and the means of financing costs related to the planning, design, construction, improvement, maintenance, and operation of the improvement projects or services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.
Sec. 3907.002. PRECONDITION; EXPIRATION. (a) The district may not exercise any powers under this chapter until the development agreement is executed.

(b) This chapter, including Section 3907.061, expires September 1, 2012, if the development agreement and finance plan are not executed by that date.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.003. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.004. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city from providing the level of services provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the city services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.
Sec. 3907.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.
Sec. 3907.006. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under other law.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to contract;
(3) authority to borrow money or issue bonds or other obligations described by Section 3907.201 or to pay the principal and interest of the bonds or other obligations;
(4) right to impose or collect an assessment, or collect other revenue; or
(5) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.007. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code; or
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code.

(b) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 3907.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring May 31 of each even-numbered year.
Sec. 3907.052. QUALIFICATIONS. (a) To be qualified to serve as a director appointed by the governing body of the city, a person must be:

(1) a resident of the city who is also a registered voter of the city;
(2) an owner of property in the district; or
(3) an agent, employee, or tenant of a person described by Subdivision (2).

(b) Section 49.052, Water Code, does not apply to the district.

Sec. 3907.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors.

Sec. 3907.054. EX OFFICIO DIRECTORS. (a) The following persons serve ex officio as nonvoting directors:

(1) the city manager of the city; and
(2) the chief financial officer of the city.

(b) An ex officio director is entitled to speak on a matter before the board.

Sec. 3907.055. VACANCY. The governing body of the city shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3907.052.
Sec. 3907.056. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $75 for each board meeting. The total amount of compensation for each director in a calendar year may not exceed $3,000.

(b) The governing body of the city, by resolution or ordinance, may increase:

(1) the compensation for each director to an amount not to exceed $150 for each board meeting; and

(2) the total compensation for each director to an amount not to exceed $6,000 in a calendar year.

(c) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims.
relating to:
   (1) actions taken by the director in the director's
capacity as a member of the board;
   (2) actions and activities taken by the district; or
   (3) the actions of others acting on behalf of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff.
September 1, 2011.

Sec. 3907.060. BOARD MEETINGS. The board shall hold meetings
at a place accessible to the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff.
September 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3907.101. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff.
September 1, 2011.

Sec. 3907.102. IMPROVEMENT PROJECTS. The district may provide,
or it may enter into contracts with a governmental or private entity
to provide, the improvement projects described by Subchapter C-1 or
activities in support of or incidental to those projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff.
September 1, 2011.

Sec. 3907.103. WATER DISTRICT POWERS. The district has the
powers provided by the general laws relating to conservation and
reclamation districts created under Section 59, Article XVI, Texas
Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff.
Sec. 3907.104. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapters 365 and 441, Transportation Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.106. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.107. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.108. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities,
including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.110. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3907.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.
Sec. 3907.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project or service unless the board determines the project or service:

(1) is necessary to accomplish a public purpose of the district; and

(2) complies with the development agreement or the parties to the development agreement agree to the project or service, in writing.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.153. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code;

(2) Chapter 375, Local Government Code; or

(3) both chapters.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.154. CONTRACTS. A contract to design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project is considered a contract for a good or service under Subchapter I, Chapter 271, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3907.201. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract payable wholly or partly from an assessment, a contract payment, a grant, district revenue, or a combination of these sources.
(b) An obligation described by Subsection (a):
    (1) may bear interest at a rate determined by the board; and
    (2) may include a term or condition as determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.202. COMPLIANCE WITH DEVELOPMENT AGREEMENT AND FINANCE PLAN. Before the district issues, enters into, or pays an obligation under Section 3907.201:
    (1) the obligation must be authorized by the finance plan; and
    (2) the city must provide written notice to the district that no party to the development agreement is in default as of the date the district is authorized to issue or enter into the obligation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.203. ISSUER POWERS FOR CERTAIN PUBLIC IMPROVEMENTS. The district may exercise any power of an issuer under Chapter 1371, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.204. ASSESSMENTS. The district may impose an assessment on property in the district to pay for an obligation described by Section 3907.201 in the manner provided for:
    (1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or
    (2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff.
Sec. 3907.205. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.206. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.207. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.208. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

SUBCHAPTER E. DISSOLUTION

Sec. 3907.251. DISSOLUTION BY CITY ORDINANCE. (a) The governing body of the city may dissolve the district by ordinance. (b) The governing body may not dissolve the district until: (1) the district's outstanding debt or other obligations have been repaid, assumed, or discharged, including the defeasance of any outstanding bonds or other obligations through the issuance of
debt by the city; and

(2) each party to the development agreement and the finance plan fulfills the party's obligations under the agreement and the plan, including a district obligation to reimburse a developer or owner for the costs of an improvement project or service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

Sec. 3907.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. If the governing body of the city dissolves the district and assumes the outstanding bonds or other obligations of the district secured by and payable from assessments or other revenue:

(1) the city shall, in the same manner as the district, enforce and collect the assessments or other revenue to pay:

(A) the bonds or other obligations when due and payable; or

(B) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations of the district; and

(2) the board shall transfer ownership of all district property to the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 858 (H.B. 3836), Sec. 1, eff. September 1, 2011.

For contingent expiration of this chapter, see Section 3907A.002.

CHAPTER 3907A. WINDSOR HILLS MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3907A.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Midlothian, Texas.

(3) "Development agreement" means a development agreement between the city and One Windsor Hills, L.P., that establishes the standards that apply to development in the district, in addition to those contained in zoning, subdivision, and other applicable ordinances of the city.

(4) "Director" means a board member.
(5) "District" means the Windsor Hills Municipal Management District No. 1.

(6) "Finance plan" means a finance plan between the city and the district that includes a general description of improvement projects or services that will be financed by the district, an estimate of the costs for the improvement projects or services, an estimate of the amount of the costs for the improvement projects or services that the district will pay directly or that will be reimbursed to the developer, and the means of financing costs related to the planning, design, construction, improvement, maintenance, and operation of the improvement projects or services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.002. PRECONDITION; EXPIRATION. (a) The district may not exercise any powers under this chapter until the development agreement is executed.

(b) This chapter, including Section 3907A.061, expires September 1, 2015, if the development agreement and finance plan are not executed by that date.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.003. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.004. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has
(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city from providing the level of services provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the city services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the
district territory as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.006. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under other law.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to contract;
(3) authority to borrow money or issue bonds or other obligations described by Section 3907A.201 or to pay the principal and interest of the bonds or other obligations;
(4) right to impose or collect an assessment, or collect other revenue; or
(5) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.007. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be
(1) a tax increment reinvestment zone created under Chapter 311, Tax Code; or
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code.

(b) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3907A.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring May 31 of each even-numbered year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.052. QUALIFICATIONS. (a) To be qualified to serve as a director appointed by the governing body of the city, a person must be:

(1) a resident of the city who is also a registered voter of the city;
(2) an owner of property in the district; or
(3) an agent, employee, or tenant of a person described by Subdivision (2).

(b) Section 49.052, Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff.
Sec. 3907A.054. EX OFFICIO DIRECTORS. (a) The following persons serve ex officio as nonvoting directors:

(1) the city manager of the city; and

(2) the chief financial officer of the city.

(b) An ex officio director is entitled to speak on a matter before the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.055. VACANCY. The governing body of the city shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3907A.052.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.056. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $75 for each board meeting. The total amount of compensation for each director in
a calendar year may not exceed $3,000.

(b) The governing body of the city, by resolution or ordinance, may increase:

(1) the compensation for each director to an amount not to exceed $150 for each board meeting; and

(2) the total compensation for each director to an amount not to exceed $6,000 in a calendar year.

(c) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;

(2) actions and activities taken by the district; or

(3) the actions of others acting on behalf of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.060. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3907A.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 3907A.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Sec. 3907A.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Sec. 3907A.104. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapters 365 and 441, Transportation Code.

Sec. 3907A.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.
Sec. 3907A.106. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.107. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.108. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.
Sec. 3907A.110. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3907A.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project or service unless the board determines the project or service:

(1) is necessary to accomplish a public purpose of the district; and

(2) complies with the development agreement or the parties to the development agreement agree to the project or service, in writing.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.153. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code;

(2) Chapter 375, Local Government Code; or
(3) both chapters.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.154. CONTRACTS. A contract to design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project is considered a contract for a good or service under Subchapter I, Chapter 271, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3907A.201. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract payable wholly or partly from an assessment, a contract payment, a grant, district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):

(1) may bear interest at a rate determined by the board; and

(2) may include a term or condition as determined by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.202. COMPLIANCE WITH DEVELOPMENT AGREEMENT AND FINANCE PLAN. Before the district issues, enters into, or pays an obligation under Section 3907A.201:

(1) the obligation must be authorized by the finance plan; and

(2) the city must provide written notice to the district that no party to the development agreement is in default as of the date the district is authorized to issue or enter into the obligation.
Sec. 3907A.203. ISSUER POWERS FOR CERTAIN PUBLIC IMPROVEMENTS. The district may exercise any power of an issuer under Chapter 1371, Government Code.

Sec. 3907A.204. ASSESSMENTS. The district may impose an assessment on property in the district to pay for an obligation described by Section 3907A.201 in the manner provided for:
(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or
(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

Sec. 3907A.205. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Sec. 3907A.206. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.
Sec. 3907A.207. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.208. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

SUBCHAPTER E. DISSOLUTION

Sec. 3907A.251. DISSOLUTION BY CITY ORDINANCE. (a) The governing body of the city may dissolve the district by ordinance.

(b) The governing body may not dissolve the district until:

(1) the district's outstanding debt or other obligations have been repaid, assumed, or discharged, including the defeasance of any outstanding bonds or other obligations through the issuance of debt by the city; and

(2) each party to the development agreement and the finance plan fulfills the party's obligations under the agreement and the plan, including a district obligation to reimburse a developer or owner for the costs of an improvement project or service.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

Sec. 3907A.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. If the governing body of the city dissolves the district and assumes the outstanding bonds or other obligations of the district secured by and payable from assessments or other revenue:

(1) the city shall, in the same manner as the district, enforce and collect the assessments or other revenue to pay:

(A) the bonds or other obligations when due and payable; or

(B) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or
obligations of the district; and

(2) the board shall transfer ownership of all district property to the city.

Added by Acts 2013, 83rd Leg., R.S., Ch. 253 (H.B. 518), Sec. 1, eff. September 1, 2013.

CHAPTER 3908. ROCK PRAIRIE MANAGEMENT DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3908.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of College Station.
(3) "County" means Brazos County.
(4) "Director" means a board member.
(5) "District" means the Rock Prairie Management District No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.002. NATURE OF DISTRICT. The Rock Prairie Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts,
entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street
landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.
Sec. 3908.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3908.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Sec. 3908.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of 11 voting directors who serve staggered terms of four years, with 5 or 6 directors' terms expiring June 1 of each odd-numbered year.

(b) The city by resolution may change the number of voting directors on the board if the governing body of the city determines that the change is in the best interest of the district. The board may not consist of fewer than 7 or more than 15 voting directors.

Sec. 3908.052. APPOINTMENT OF VOTING DIRECTORS. The mayor and members of the governing body of the city shall appoint voting directors. A person is appointed if a majority of those members and the mayor vote to appoint that person.
Sec. 3908.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3908.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1,
Sec. 3908.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
   (1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
   (2) may implement any project and provide any service authorized by this chapter.

(c) The board shall select directors from the board to serve as the board of directors of the nonprofit corporation. The board may appoint one or more persons who are not directors to the board of directors of the nonprofit corporation if the governing body of the city determines that the appointment is in the best interest of the district. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.
(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
   (1) make loans and grants of public money; and
   (2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:
   (1) Chapter 380, Local Government Code; and
   (2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1,
eff. June 14, 2013.

Sec. 3908.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.111. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

1. the issuance of bonds;
2. the plans and specifications of an improvement project financed by bonds; and
3. the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds.
(c) If the district obtains the approval of the city of a capital improvements budget for a period not to exceed 10 years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

(d) The governing body of the city:

(1) is not required to adopt a resolution or ordinance to approve plans and specifications described by Subsection (a); and

(2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the involvement of the governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS**

Sec. 3908.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.
Sec. 3908.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1,
Sec. 3908.155.  EXEMPTIONS.  Section 375.162, Local Government Code, does not apply to an organization exempt from federal income tax under Section 501(a), Internal Revenue Code of 1986, by being described by Section 501(c)(3) of that code, operating in the district. The organization is not exempt from paying a district assessment.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.156.  ASSESSMENT ABATEMENT.  The district may designate reinvestment zones and may grant abatements of an assessment on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

Sec. 3908.157.  NO AD VALOREM TAX.  The district may not impose an ad valorem tax.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E.  BONDS

Sec. 3908.201.  AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.  (a)  The district may borrow money on terms determined by the board.

(b)  The district may issue, without an election, bonds, notes, or other obligations payable wholly or partly from assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.
Sec. 3908.202. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1115 (H.B. 3875), Sec. 1, eff. June 14, 2013.

CHAPTER 3909. ROCK PRAIRIE MANAGEMENT DISTRICT NO. 2
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3909.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of College Station.
(3) "County" means Brazos County.
(4) "Director" means a board member.
(5) "District" means the Rock Prairie Management District No. 2.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.002. NATURE OF DISTRICT. The Rock Prairie Management District No. 2 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.
(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and
recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;

(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3909.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district and the change is approved by the city. The board may not consist of fewer than 5 or more than 15 voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.052. RECOMMENDATIONS FOR SUCCEEDING BOARD. (a) Each board of directors, including the initial board, shall recommend to the governing body of the city persons to serve on the succeeding
(b) The governing body of the city shall review the recommendations and approve or disapprove the directors recommended by the board. A person is appointed if a majority of the members of the governing body and the mayor vote to appoint that person.

(c) If the governing body of the city is not satisfied with the recommendations submitted by the board and does not vote to approve the recommended board members, the board, on the request of the governing body, shall submit to the governing body additional recommendations. If, after the second submission of recommendations, the governing body does not vote to approve the additional recommendations of the board, the governing body may appoint persons who were not recommended to serve on the succeeding board.

(d) Board members may serve successive terms.

(e) If a provision of Subsections (a)-(d) is found to be invalid, the Texas Commission on Environmental Quality shall appoint the board from recommendations submitted by the then-current board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3909.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service
authorized by this chapter.

(c) The board shall select directors from the board to serve as the board of directors of the nonprofit corporation. The board may appoint one or more persons who are not directors to the board of directors of the nonprofit corporation if the governing body of the city determines that the appointment is in the best interest of the district. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1,
Sec. 3909.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.
Sec. 3909.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.111. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

(1) the issuance of bonds;
(2) the plans and specifications of an improvement project financed by bonds; and
(3) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds.

(c) If the district obtains the approval of the governing body of the city of a capital improvements budget for a period not to exceed 10 years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

(d) The governing body of the city:

(1) is not required to adopt a resolution or ordinance to approve plans and specifications described by Subsection (a); and
(2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the involvement of the governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3909.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the
district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.155. EXEMPTIONS. Section 375.162, Local Government Code, does not apply to an organization exempt from federal income tax under Section 501(a), Internal Revenue Code of 1986, by being described by Section 501(c)(3) of that code, operating in the district. The organization is not exempt from paying a district assessment.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.156. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax authorized or approved by the voters of the district or a required payment for a service provided by the district, including water and sewer services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.
Sec. 3909.157. TAX AND ASSESSMENT ABATEMENT. The district may designate reinvestment zones and may grant abatements of district taxes or assessments on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3909.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3909.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

Sec. 3909.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3909.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 3909.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 3909.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Sec. 3909.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 3909.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1114 (H.B. 3874), Sec. 1, eff. June 14, 2013.

CHAPTER 3910. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 23

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3910.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston.
(3) "County" means Harris County.
(4) "Director" means a board member.
(5) "District" means the Harris County Improvement District No. 23.
(6) "East End district" means the Greater East End Management District created under Chapter 3807.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.002. NATURE OF DISTRICT. The Harris County Improvement District No. 23 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.
(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district, and to accomplish the redevelopment of the land in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant East End district, city, or county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303,
Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3910.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of nine voting directors who serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.052. APPOINTMENT OF VOTING DIRECTORS. The mayor and members of the governing body of the city shall appoint voting directors from persons recommended by the board. A person is
appointed if a majority of the members of the governing body and the mayor vote to appoint that person.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3910.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 3910.102. IMPROVEMENT PROJECTS AND SERVICES. Subject to Section 3910.113, the district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3910.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. 3910.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter...
431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial
activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.111. NAVIGATION DISTRICT POWERS. (a) The district has the powers provided by the general law of this state applicable
to navigation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 60 and 62, Water Code.

(b) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, a canal, waterway, bulkhead, dock, or other improvement or facility necessary or convenient to accomplish the navigation purposes of the district.

(c) An improvement or facility that is owned, constructed, or financed by the district under this section is subject to any applicable rules, regulations, bylaws, or similar legislative or regulatory acts or policies of the Port of Houston Authority of Harris County, Texas.

(d) This chapter does not supersede or diminish the rights, powers, privileges, and authority of the Port of Houston Authority of Harris County, Texas.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.112. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

(1) the issuance of bonds;

(2) the plans and specifications of an improvement project financed by bonds; and

(3) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds.

(c) If the district obtains the approval of the city's governing body of a capital improvements budget for a period not to exceed 10 years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

(d) The governing body of the city:

(1) is not required to adopt a resolution or ordinance to approve plans and specifications described by Subsection (a); and
(2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the involvement of the governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.113. COORDINATION WITH EAST END DISTRICT. In determining the improvement projects or services the district provides, the district shall coordinate its efforts with the efforts of the East End district to achieve governmental efficiency and avoid duplication of improvement projects or services. The district may not duplicate an improvement project or service that the East End district provides in the same territory.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.114. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3910.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.
Sec. 3910.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 3910.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the
assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.155. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax authorized or approved by the voters of the district or a required payment for a service provided by the district, including water and sewer services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.156. NOTICE TO EAST END DISTRICT. The district shall send to the board of directors of the East End district notice of a hearing regarding an improvement project or service that is to be financed with assessments under this chapter. The district shall send the notice by certified mail, return receipt requested, or by another method determined by the board to provide adequate proof that the notice was timely mailed, not later than the 30th day before the date of the hearing. The notice must contain the information required by Section 375.115(b), Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.157. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of district taxes or assessments on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. TAXES AND BONDS
Sec. 3910.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The
district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3910.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3910.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

Sec. 3910.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.
Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1331 (S.B. 690), Sec. 1, eff. June 14, 2013.

For contingent expiration of this chapter, see Section 3911.002.

CHAPTER 3911. MIDLOTHIAN MUNICIPAL MANAGEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3911.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Midlothian, Texas.
(3) "County" means Ellis County, Texas.
(4) "Development agreement" means the development agreement between the city and ECOM Real Estate Management, Inc., Trustee.
(5) "Director" means a board member.
(6) "District" means the Midlothian Municipal Management District No. 2.
(7) "Improvement project" means a project authorized by Subchapter C-1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.002. PRECONDITION; EXPIRATION. (a) In this section, "finance plan" means a finance plan between the city and the district that includes a general description of improvement projects that will be financed by the district, an estimate of the costs for the improvement projects, an estimate of the amount of the costs for the improvement projects that the district will pay directly or that will be reimbursed to the developer, and the means of financing costs related to the planning, design, construction, improvement, maintenance, and operation of the improvement projects.

(b) The district may not exercise any powers under this chapter until the development agreement and finance plan are executed.

(c) This chapter, including Section 3911.062, expires September 1, 2015, if the development agreement and finance plan are not
executed by that date.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.003. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.004. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city and county services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will
benefit from the improvements and services to be provided by the
district under powers conferred by Sections 52 and 52-a, Article III,
and Section 59, Article XVI, Texas Constitution, and other powers
granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) providing quality residential housing; and
(4) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field
notes in the legislative process does not in any way affect:

(1) the district's organization, existence, or validity;
(2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;
(3) the district's right to impose or collect an assessment, ad valorem taxes, or any other revenue; or
(4) the legality or operation of the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.007. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code; or
(3) an enterprise zone created by the city under Chapter 2303, Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3911.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring May 31 of each even-numbered year.
Sec. 3911.052. QUALIFICATIONS. (a) To be qualified to serve as a director appointed by the governing body of the city, a person must be:

(1) a resident of the district who is also a registered voter of the city;
(2) an owner of property in the district; or
(3) an agent, employee, or tenant of a person described by Subdivision (2).

(b) Section 49.052, Water Code, does not apply to the district.

Sec. 3911.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors from a list of names recommended by a majority of the board. The governing body may request one additional list of names from the board.

Sec. 3911.054. EX OFFICIO DIRECTORS. (a) The following persons serve ex officio as nonvoting directors:

(1) the city manager of the city; and
(2) the chief financial officer of the city.

(b) An ex officio director is entitled to notice of board meetings and to speak on a matter before the board.

Sec. 3911.055. VACANCY. The governing body of the city shall fill a vacancy on the board for the remainder of the unexpired term in the same manner as the original appointment.
Sec. 3911.056. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Sec. 3911.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Sec. 3911.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $75 for each board meeting. The total amount of compensation for each director in a calendar year may not exceed $3,000.

(b) The governing body of the city, by resolution or ordinance, may increase:

(1) the compensation for each director to an amount not to exceed $150 for each board meeting; and

(2) the total compensation for each director to an amount not to exceed $6,000 in a calendar year.

(c) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Sec. 3911.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and
insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;
(2) actions and activities taken by the district; or
(3) the actions of others acting on behalf of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.060. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.061. CONFLICTS OF INTEREST. Chapter 171, Local Government Code, governs conflicts of interest of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3911.101. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.102. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff.
Sec. 3911.103. ROAD DISTRICT POWERS; EXCEPTION. (a) Except as provided by Subsection (b), the district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.

(b) The district may exercise any power granted by this chapter and by Chapter 441, Transportation Code, without regard to any provision or requirement of, or procedure or maintenance tax rate limitation prescribed by, Chapter 441, Transportation Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.104. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Subchapter A, Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.105. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.106. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district; or
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities.

(b) The district may enforce its rules by injunctive relief.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff.
Sec. 3911.107. NOTICE OF NAME CHANGE. The board shall give written notice of any name change to the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.108. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS

Sec. 3911.151. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project or service unless the board determines the project or service:

(1) is necessary to accomplish a public purpose of the district; and

(2) complies with the development agreement or the parties to the development agreement agree to the project or service, in writing.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.152. CITY REQUIREMENTS. (a) An improvement project
must comply with any applicable city construction codes and construction ordinances.

(b) The district may not provide, conduct, or authorize any improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.153. ADDITIONAL CITY POWERS REGARDING IMPROVEMENT PROJECTS. (a) Unless the district and the city agree otherwise, the city may:

(1) by ordinance, order, or resolution require that title to all or any portion of an improvement project vest in the city; or

(2) by ordinance, order, or resolution or other directive authorize the district to own, encumber, maintain, and operate an improvement project or convey the project to the city at a later date.

(b) The district shall immediately comply with any city ordinance, order, or resolution adopted under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.154. LAKE. For the purposes of this subchapter, planning, design, construction, improvement, or maintenance of a lake includes work done for drainage, reclamation, or recreation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.155. WATER; EXCEPTION. (a) Except as provided by Subsection (b), an improvement project may include a supply and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater collection facility.

(b) The district may not engage in the business of wholesale or retail sale of potable water or the wholesale or retail collection
and treatment of wastewater.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.156. ROADS. An improvement project may include a paved, macadamized, or graveled road or street inside and outside the district, to the full extent authorized by Section 52, Article III, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.157. STORM WATER. An improvement project may include protection and improvement of the quality of storm water that flows through the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.158. PARKING OR HELIPORT. An improvement project may include the planning, design, construction, improvement, maintenance, and operation of an off-street parking facility or heliport.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.159. EDUCATION AND CULTURE. An improvement project may include the planning and acquisition of:
   (1) public art and sculpture and related exhibits and facilities; or
   (2) an educational facility and a cultural exhibit or facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.
Sec. 3911.160. CONVENTION CENTER. An improvement project may include the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:

(1) a conference, convention, or exhibition;
(2) a manufacturer, consumer, or trade show;
(3) a civic, community, or institutional event; or
(4) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.161. DEMOLITION. An improvement project may include the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.162. MITIGATION OF ENVIRONMENTAL EFFECTS. An improvement project may include the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.163. ACQUISITION OF PROPERTY. An improvement project may include the acquisition of property or an interest in property in connection with an improvement project, including a project authorized by Subchapter A, Chapter 372, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.164. SPECIAL OR SUPPLEMENTAL SERVICES. An
improvement project may include a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:

1. tourism;
2. fire protection or emergency medical services; and
3. educational improvements, enhancements, and services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.165. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE. An improvement project may include the planning, design, construction, improvement, and maintenance of:

1. highway right-of-way or transit corridor beautification and improvement;
2. a hiking and cycling path or trail;
3. a pedestrian walkway; or
4. a garden, recreational facility, community activity center, dock, wharf, sports facility, open space, scenic area, or related exhibit or preserve.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.166. SIMILAR IMPROVEMENT PROJECTS. An improvement project may include a public improvement, facility, or service similar to a project described by this subchapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

### SUBCHAPTER C-2. CONTRACTS

Sec. 3911.201. GENERAL CONTRACT POWERS. The district may contract with any person to accomplish any district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.
Sec. 3911.202. CONTRACT TERMS. A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including an obligation to issue a negotiable or nonnegotiable note or warrant payable to the city, the county, or any other person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.203. REIMBURSEMENT OF COSTS. The district may contract with any person for the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.204. CONTRACT FOR IMPROVEMENT PROJECT. (a) The district may contract with any person for the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project.

(b) The district may apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.205. NO FURTHER CONTRACT AUTHORIZATION REQUIRED. Except as provided by Section 3911.206, any person, including the
city, may contract with the district to carry out the purposes of
this chapter without further statutory or other authorization.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff.
June 17, 2011.

Sec. 3911.206. CITY APPROVAL OF CERTAIN CONTRACTS. A contract
payable from ad valorem taxes for a period longer than one year must
be approved by the governing body of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff.
June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3911.251. DEVELOPMENT AGREEMENT REQUIRED TO BORROW MONEY
OR IMPOSE TAXES OR ASSESSMENTS, INCLUDING BONDS. Before the district
may issue bonds, impose taxes or assessments, or borrow money, the
district and the city must negotiate and execute a development
agreement regarding the development plans and rules for:
(1) the development and operation of the district; and
(2) the financing of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff.
June 17, 2011.

Sec. 3911.252. BORROWING MONEY. The district may borrow money
for a district purpose by issuing or executing bonds, notes, credit
agreements, or other obligations of any kind found by the board to be
necessary or appropriate for a district purpose. The bond, note,
credit agreement, or other obligation must be secured by and payable
from any combination of ad valorem taxes, assessments, or any other
district revenue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff.
June 17, 2011.

Sec. 3911.253. GENERAL POWERS REGARDING PAYMENT OF DISTRICT

BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or debt by:

(1) the imposition of a tax or an assessment, user fee, or rental charge;
(2) a lease, installment purchase contract, or other agreement; or
(3) any other revenue or resources of the district or other revenue authorized by the city, including revenue from a tax increment reinvestment zone created by the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.254. ASSESSMENTS. (a) The district may impose an assessment on property in the district to pay the cost or the cost of maintenance of any authorized district improvement in the manner provided for:

(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or
(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed; and
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(c) The lien of an assessment against property runs with the land. The portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem
tax lien, and any purchaser of property in a foreclosure of an ad
valorem tax lien takes the property subject to the assessment payment
obligations that have not yet come due and to the lien and terms of
the lien's payment under the applicable assessment ordinance or
order.

(d) The board may make a correction to or deletion from the
assessment roll that does not increase the amount of assessment of
any parcel of land without providing notice and holding a hearing in
the manner required for additional assessments.

(e) Section 372.023(e), Local Government Code, does not apply
to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff.
June 17, 2011.

Sec. 3911.255. IMPACT FEES; EXEMPTION. (a) The district may
impose an impact fee on property in the district, including an impact
fee on residential or commercial property, only in the manner
provided by Subchapter A, Chapter 372, or Subchapter F, Chapter 375,
Local Government Code, for a municipality, county, or public
improvement district.

(b) An impact fee for residential property must be for the
limited purpose of providing capital funding for:
(1) public water and wastewater facilities;
(2) drainage and storm water facilities; and
(3) streets and alleys.

(c) The district may not impose an impact fee on the property,
including equipment and facilities, of a public utility provider in
the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff.
June 17, 2011.

Sec. 3911.256. NONPOTABLE WATER USER CHARGES; CITY APPROVAL.
The district may establish user charges for the use of nonpotable
water for irrigation purposes, subject to approval of the governing
body of the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff.
Sec. 3911.257. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including the city or county, all or part of the cost of an improvement project, including an improvement project:

(1) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or
(2) that confers a general benefit on the entire district or a special benefit on a definable part of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.258. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3911.301. PROPERTY TAX AUTHORIZED. The district may impose an ad valorem tax on all taxable property in the district, including industrial, commercial, and residential property, to pay for an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.302. MAINTENANCE AND OPERATION TAX; ELECTION. (a) The district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and
(2) paying costs of services, engineering and legal fees, 
and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax 
unless a maximum tax rate is approved by the governing body of the 
city and a majority of the district voters voting at an election held 
for that purpose. The proposition in a maintenance and operation tax 
election may be for a specific maximum rate or for an unlimited rate. 
If a maximum tax rate is approved, the board may impose the tax at 
any rate that does not exceed the approved rate.

(c) A maintenance and operation tax election may be held at the 
same time and in conjunction with any other district election. The 
election may be called by a separate election order or as part of any 
other election order.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. 
June 17, 2011.

Sec. 3911.303. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. 
If the district has maintenance and operation tax money that is not 
needed for the purposes for which it was collected, the money may be 
used for any authorized purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. 
June 17, 2011.

Sec. 3911.304. TAX ABATEMENT. The district may enter into a 
tax abatement agreement regarding the district's ad valorem taxes in 
accordance with the general laws of this state authorizing and 
applicable to a tax abatement agreement by a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. 
June 17, 2011.

Sec. 3911.305. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. 
(a) The district by competitive bid or negotiated sale may issue 
bonds, notes, or other obligations payable wholly or partly from ad 
valorem taxes or assessments in the manner provided by Subchapter A, 
Chapter 372, or Subchapter J, Chapter 375, Local Government Code.
(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument to be made by the district, or any other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable, wholly or partly, by a pledge of any part of the money the district receives from system or improvement revenue or from any other source.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.306. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.307. TAXES FOR BONDS AND OTHER OBLIGATIONS; ELECTION.
(a) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

(b) Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by:

(1) a majority of the district voters voting at an election held for that purpose; and

(2) the governing body of the city.
(c) The district shall hold an election required by this section in the manner provided by Chapter 54, Water Code, and the Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.308. ISSUER POWERS FOR CERTAIN PUBLIC IMPROVEMENTS. The district may exercise any power of an issuer under Chapter 1371, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. DISSOLUTION

Sec. 3911.351. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

(b) The city may not dissolve the district until the district's outstanding debt or contractual obligations have been repaid or discharged, including the defeasance of any outstanding debt issued by the city.

(c) The city may not dissolve the district until the development agreement under Section 3911.251 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.352. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:
(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

Sec. 3911.353. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 587 (H.B. 3852), Sec. 1, eff. June 17, 2011.

CHAPTER 3912. PADRE ISLES MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3912.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Bulkhead property" means all bulkheads in the district owned by the district or owned or previously owned by the Padre Isles Property Owners Association, including any associated easements.

(3) "City" means the City of Corpus Christi.

(4) "Director" means a board member.

(5) "District" means the Padre Isles Management District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.002. CREATION AND NATURE OF DISTRICT. The Padre Isles Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff.
Sec. 3912.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain safety and the public welfare in the district.

(c) The district is created to supplement and not to supplant city services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of developing and diversifying the economy of the state.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) seek and provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and

(3) promote the health, safety, welfare, and enjoyment of
the public by providing for the preservation of bulkhead property and
the navigable waters surrounding Padre Island.

(e) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many
private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff.
June 14, 2013.

Sec. 3912.005. DISTRICT TERRITORY. (a) The district is
initially composed of the territory described by Section 2 of the Act
enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of
the Act enacting this chapter form a closure. A mistake in the field
notes or in copying the field notes in the legislative process does
not affect the district's:

(1) organization, existence, or validity;

(2) right to issue revenue bonds for the purposes for which
the district is created or to pay the principal of and interest on
the bonds;

(3) right to pursue relief funding from any lawful source,
including this state, the federal government, or any private source;
or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff.
June 14, 2013.

Sec. 3912.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS
LAW. Except as otherwise provided by this chapter, Chapter 375,
Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff.
June 14, 2013.

Sec. 3912.007. CONSTRUCTION OF CHAPTER. This chapter shall be
liberally construed in conformity with the findings and purposes
stated in this chapter.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3912.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years with two or three directors' terms expiring June 1 of each odd-numbered year.

Sec. 3912.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY CITY. (a) To be qualified to serve as a director appointed by the governing body of the city, a person must be:

(1) a resident of the district who is also a registered voter of the district;
(2) an owner of property in the district;
(3) an owner of stock or a partnership or membership interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the district;
(4) an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the district;
(5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4); or
(6) an initial director.

(b) Section 49.052, Water Code, does not apply to the district.

Sec. 3912.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors from persons recommended by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.
Sec. 3912.054. VACANCY. The remaining directors shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3912.052 to serve for the remainder of the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

(b) A director shall file a copy of the director's oath or affirmation with the secretary of the city.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.057. COMPENSATION; EXPENSES. A director is not entitled to compensation, but is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.058. LIABILITY INSURANCE. The district may obtain
and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;
(2) actions and activities taken by the district; or
(3) the actions of others acting on behalf of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.059. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.060. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3912.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.102. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.
(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.
Sec. 3912.103. LIABILITY RESULTING FROM DISTRICT ACTION. An action of the district or the board does not create a liability against the city or any other political subdivision.

Sec. 3912.104. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS

Sec. 3912.131. IMPROVEMENT PROJECTS AND SERVICES; LIMITATIONS. (a) The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service described by Subsection (b) using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter and Chapter 375, Local Government Code.

(b) The district may undertake an improvement project or service only as necessary to reconstruct, preserve, and maintain bulkhead property.

Sec. 3912.132. LOCATION OF IMPROVEMENT PROJECT. An improvement project described by Section 3912.131 must be located in the district.
Sec. 3912.133. ADDITIONAL DISTRICT DUTIES REGARDING IMPROVEMENT PROJECTS. The district shall:

(1) submit written notice to the city administrator or the administrator's designee of the anticipated date construction of an improvement project will begin;

(2) comply with applicable city ordinances, resolutions, and regulations when constructing and maintaining an improvement project;

(3) allow a representative of the city to inspect an improvement project during construction to assess the project's compliance with applicable city ordinances, resolutions, and regulations;

(4) alter an improvement project to comply with applicable city ordinances, resolutions, and regulations if the representative of the city provides the district with written notice that the improvement project does not comply with applicable city ordinances, resolutions, and regulations; and

(5) obtain any necessary permits from city, county, state, or federal authorities to construct and maintain an improvement project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.134. LICENSE AND CERTIFICATION REQUIREMENTS. The district may not contract with or employ a person to plan or construct an improvement project unless the person is licensed or certified in an area relating to planning or construction, as applicable.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3912.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and
the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter and Chapter 375, Local Government Code, using any money available to the district, including contract payments from any lawful source.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS

Sec. 3912.201. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from district revenue.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) District bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.202. BOND MATURITY. Bonds may mature not more than 30 years from their date of issue.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.
SUBCHAPTER F. DISSOLUTION

Sec. 3912.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

(b) The city may not dissolve the district until the district's outstanding debt or contractual obligations that are payable from any source available to the district have been repaid or discharged, or the city has affirmatively assumed the obligation to pay the outstanding debt from city revenue.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

Sec. 3912.252. COLLECTION OF REVENUE. If the dissolved district has bonds or other obligations outstanding secured by and payable from district revenue, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the revenue.

Added by Acts 2013, 83rd Leg., R.S., Ch. 607 (S.B. 1098), Sec. 1, eff. June 14, 2013.

CHAPTER 3913. BURNET COUNTY IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3913.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "County" means Burnet County.

(3) "Director" means a board member.

(4) "District" means the Burnet County Improvement District No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.002. NATURE OF DISTRICT. The Burnet County Improvement District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff.
Sec. 3913.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the county and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.
Sec. 3913.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3913.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff.
Sec. 3913.052. APPPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.
Sec. 3913.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
   (1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
   (2) may implement any project and provide any service authorized by this chapter.
(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development
purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.
Sec. 3913.111. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3913.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.
Sec. 3913.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.155. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax authorized or approved by the district voters or a required payment for service provided by the district, including water and sewer services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.156. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or
assessment on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER E. TAXES AND BONDS**

Sec. 3913.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3913.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3913.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.
Sec. 3913.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.
Sec. 3913.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3913.251, the board shall call and hold an election in the defined area or within the boundaries of the designated property only.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) The board's order is not subject to judicial review except on the grounds of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and
adoption of the order described by Section 3913.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

Sec. 3913.255. ISSUANCE OF BONDS FOR DEFINED AREAS OR DESIGNATED PROPERTY. After the order under Section 3913.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 599 (S.B. 1009), Sec. 1, eff. June 14, 2013.

CHAPTER 3914. WALLER COUNTY IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3914.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston.
(3) "County" means Waller County.
(4) "Director" means a board member.
(5) "District" means the Waller County Improvement District No. 2.
(6) "Rail facilities" includes all real and personal property owned or held by the district for railroad purposes, including land, interests in land, buildings, structures, rights-of-way, easements, franchises, rail lines, stations, platforms, terminals, rolling stock, garages, shops, equipment, and facilities including vehicle parking areas and facilities, and other facilities necessary or convenient for the beneficial use and access of persons and vehicles to stations, terminals, yards, vehicles, control houses, signals and land, facilities, and equipment for the protection and environmental enhancement of those facilities.
Sec. 3914.002. NATURE OF DISTRICT. The Waller County Improvement District No. 2 is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3914.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Sec. 3914.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III,
and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:
   (1) developing and diversifying the economy of the state;
   (2) eliminating unemployment and underemployment; and
   (3) developing or expanding transportation and commerce.

(d) The district will:
   (1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
   (2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
   (3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
   (4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, rail facilities, and street art objects are parts of and necessary components of a street or road and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

(g) Rail facilities and improvements are necessary and convenient for the:
   (1) use and implementation of the district's road facilities and improvements; and
   (2) development and expansion of transportation in this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.005. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.
Sec. 3914.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3914.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than nine voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including
death, resignation, or disqualification;
   (2) a director who is abstaining from participation in a vote because of a conflict of interest; or
   (3) a nonvoting director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3914.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.103. DEVELOPMENT CORPORATION POWERS. The district,
using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
   (1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
   (2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.106. LAW ENFORCEMENT SERVICES. To protect the public
interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related
appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.111. RAIL FACILITIES. The district may construct, acquire, improve, maintain, finance, and operate rail facilities and improvements.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3914.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.
Sec. 3914.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Sec. 3914.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 3914.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

1. are a first and prior lien against the property assessed;

2. are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3914.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3914.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.
Sec. 3914.202.  OPERATION AND MAINTENANCE TAX.  (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3914.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.203.  CONTRACT TAXES.  (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.204.  AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.  (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad
valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

Sec. 3914.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 814 (S.B. 1821), Sec. 1, eff. June 14, 2013.

CHAPTER 3915. WALLER COUNTY IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3915.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston.
(3) "County" means Waller County.
(4) "Director" means a board member.
(5) "District" means the Waller County Improvement District No. 1.
(6) "Rail facilities" includes all real and personal property owned or held by the district for railroad purposes, including land, interests in land, buildings, structures, rights-of-way, easements, franchises, rail lines, stations, platforms, terminals, rolling stock, garages, shops, equipment, and facilities including vehicle parking areas and facilities, and other facilities necessary or convenient for the beneficial use and access of persons
and vehicles to stations, terminals, yards, vehicles, control houses, signals and land, facilities, and equipment for the protection and environmental enhancement of those facilities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

Sec. 3915.002. NATURE OF DISTRICT. The Waller County Improvement District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

Sec. 3915.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

Sec. 3915.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

1. developing and diversifying the economy of the state;
2. eliminating unemployment and underemployment; and
3. developing or expanding transportation and commerce.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
4. provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, rail facilities, and street art objects are parts of and necessary components of a street or road and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

(g) Rail facilities and improvements are necessary and convenient for the:

1. use and implementation of the district's road facilities and improvements; and
2. development and expansion of transportation in this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff.
Sec. 3915.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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(1) organization, existence, or validity;
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Sec. 3915.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
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Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3915.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than nine voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

Sec. 3915.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

Sec. 3915.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.
Sec. 3915.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
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Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

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Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

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Sec. 3915.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

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(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

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Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

Sec. 3915.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

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(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

Sec. 3915.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:
(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

Sec. 3915.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3915.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3915.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.
(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

Sec. 3915.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3915.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

Sec. 3915.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.
Sec. 3915.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

Sec. 3915.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 813 (S.B. 1820), Sec. 1, eff. June 14, 2013.

CHAPTER 3916. GENERATION PARK MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 3916.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston, Texas.
(3) "Commission" means the Texas Commission on Environmental Quality.
(4) "County" means Harris County.
(5) "Director" means a board member.
(6) "District" means the Generation Park Management District.
Sec. 3916.002. CREATION AND NATURE OF DISTRICT; IMMUNITY. (a) The Generation Park Management District is a special district created under Section 59, Article XVI, Texas Constitution.
(b) The district is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are essential government functions and are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.
(c) This chapter does not waive any governmental or sovereign immunity from suit, liability, or judgment applicable to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Amended by:
Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 1, eff. May 28, 2015.

Sec. 3916.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 3916.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
Sec. 3916.005. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district, the legislature has established a program to accomplish the public purposes set out in Sections 52 and 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city, the county, or another governmental entity from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant governmental services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

1. developing and diversifying the economy of the state;
2. eliminating unemployment and underemployment; and
3. developing or expanding transportation and commerce.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and
consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways, road facilities, transit facilities, parking facilities, conduit facilities, rail facilities and other enhanced infrastructure, recreational facilities, and public art and by landscaping and developing certain areas, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty; and

(4) provide for water, wastewater, and drainage facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects and other improvements located in or adjacent to road rights-of-way are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 2, eff. May 28, 2015.

Sec. 3916.007. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bonds, notes, or other obligations for a purpose for which the district is created or to
pay the principal of and interest on the bonds, notes, or other obligations;
   (3) right to impose or collect an assessment or tax; or
   (4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in one or more of the following:
   (1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
   (2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
   (3) an enterprise zone created under Chapter 2303, Government Code;
   (4) a foreign trade zone created under Chapter 681, Business & Commerce Code; or
   (5) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
Amended by:
   Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 3, eff. May 28, 2015.

Sec. 3916.009. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.010. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.
Sec. 3916.011. CONFLICTS OF LAW. This chapter prevails over any provision of general law, including a provision of Chapter 375, Local Government Code, or Chapter 49, Water Code, that is in conflict or inconsistent with this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Amended by: Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 4, eff. May 28, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3916.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors elected as provided by this chapter and Subchapter D, Chapter 49, Water Code.

(b) Except as provided by Section 3916.053, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.052. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.053. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the commission requesting
that the commission appoint as temporary directors the five persons named in the petition. On request of the member of the state house of representatives in whose legislative district the largest percentage of the district is located, the owner or owners must include in the petition the name of a person designated by the representative. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 3916.003; or
   (2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 3916.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 3916.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. On request of the member of the state house of representatives in whose legislative district the largest percentage of the district is located, the owner or owners must include in the petition the name of a person designated by the representative. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.054. DISQUALIFICATION OF DIRECTORS. Section 49.052, Water Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 5, eff.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3916.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or under Chapter 375, Local Government Code.

(b) An improvement project described by Subsection (a) may be located inside or outside the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.103. RECREATIONAL FACILITIES. The district may develop or finance recreational facilities as authorized by Chapter 375, Local Government Code, Sections 52 and 52-a, Article III, Texas Constitution, Section 59, Article XVI, Texas Constitution, and any other law that applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 6, eff. May 28, 2015.

Sec. 3916.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52,
Article III, Texas Constitution, the district may own, operate, maintain, design, acquire, construct, finance, issue bonds, notes, or other obligations for, and improve macadamized, graveled, or paved roads or improvements, including storm drainage and other improvements located in or adjacent to road rights-of-way, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 7, eff. May 28, 2015.

Sec. 3916.105. CONVEYANCE AND APPROVAL OF ROAD PROJECT. (a) The district may convey a road project authorized by Section 3916.104 to:

(1) the municipality or county that will operate and maintain the road if the municipality or county has approved the plans and specifications of the road project; or

(2) the state if the state will operate and maintain the road and the Texas Transportation Commission has approved the plans and specifications of the road project.

(b) Except as provided by Subsection (c), the district shall operate and maintain a road project authorized by Section 3916.104 that the district implements and does not convey to a municipality, a county, or this state under Subsection (a).

(c) The district may agree in writing with a municipality, a county, or this state to assign operation and maintenance duties to the district, the municipality, the county, or this state in a manner other than the manner described in Subsections (a) and (b).

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 8, eff. May 28, 2015.

Sec. 3916.106. RAIL FACILITIES. In addition to the powers granted under Section 375.0921(b), Local Government Code, and under
Section 3916.151, the district may construct, acquire, improve, maintain, finance, and operate rail facilities and improvements in aid of those facilities for the transport of freight and other cargo.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.107. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.108. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.109. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with
or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.110. LAW ENFORCEMENT SERVICES. Section 49.216, Water Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 9, eff. May 28, 2015.

Sec. 3916.111. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.112. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

1. make loans and grants of public money; and
2. provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

1. Chapter 380, Local Government Code, provides to a municipality;
2. Chapter 381, Local Government Code, provides to a
county; and
(3) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.113. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with the city under Section 43.0751, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.114. REGIONAL PARTICIPATION AGREEMENT. The district may negotiate and enter into a written regional participation agreement with the city under Section 43.0754, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.115. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

(c) After the district is organized and has obtained voter approval for the issuance of, or has sold, bonds payable wholly or partly from ad valorem taxes, the district may include and exclude land as provided by this section and Sections 54.740-54.747, Water Code. To the extent of a conflict between this subsection and Section 54.739, Water Code, this subsection controls.

(d) If the district has any outstanding bonds or contract obligations payable wholly or partly by a pledge of net revenues from the ownership or operation of the district's facilities at the time the board considers an application under Sections 54.740-54.747, Water Code, the lands proposed for inclusion shall be considered to
be sufficient to avoid an impairment of the security for payment of obligations of the district if the projected net revenue to be derived from the lands to be included during the succeeding 12-month period, as determined by the district's engineer, equals or exceeds the projected net revenue that would otherwise have been derived from the lands to be excluded during the same period. To the extent of a conflict between this subsection and Section 54.744, Water Code, this subsection controls.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.116. APPLICABILITY OF OTHER LAW TO CERTAIN CONTRACTS. (a) Subchapter I, Chapter 49, Water Code, applies to a district contract for construction work, equipment, materials, or machinery. Notwithstanding the limitations and requirements of Sections 2269.003(a) and 2269.352, Government Code, the district may use any project delivery method described by Subchapter I, Chapter 49, Water Code, or Chapter 2269, Government Code, including a delivery method described by Subchapter H, Chapter 2269, Government Code.

(b) Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 10, eff. May 28, 2015.

Sec. 3916.117. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
Sec. 3916.118. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.119. FIREFIGHTING AND EMERGENCY MEDICAL SERVICES.
(a) Subchapter L, Chapter 49, Water Code, applies to the district.
(b) Except as provided in Subsection (c) and subject to Subsection (d), the district has the same rights and powers as a municipality annexing territory in a district that provides firefighting or emergency medical services to cause all or part of the territory in the district to be removed from a district providing firefighting or emergency medical services.
(c) The district may cause the removal of territory under Subsection (b) whether or not that territory was originally included in or subsequently annexed into the district.
(d) The district's right to cause the removal of territory under this section shall be subject to a mutually satisfactory agreement under Chapter 791, Government Code, or other applicable law, between the district and a district that provides firefighting or emergency medical services from which the territory will be removed, which may include terms for the payment of funds from current revenues of the district for the continued provision of firefighting or emergency medical services or such other lawful terms that the parties consider appropriate.
(e) The removal of territory under this section does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other obligations, including loans and lease-purchase agreements, of the district from which the territory was removed.

Added by Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 11, eff. May 28, 2015.

SUBCHAPTER C-1. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3916.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve
the area in the district.

(b) The board may not act under Subsection (a) unless a written petition requesting the action has been filed with the board.

(c) The petition must be signed by:

(1) the owners of property representing a majority of the total assessed value of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located; or

(2) the owners of a majority of the area of the real property in the district that abuts the right-of-way in which the public transit system is proposed to be located.

(d) For purposes of Subsection (c), the determination of a majority is based on the property owners along the entire right-of-way of the proposed transit project and may not be calculated on a block-by-block basis.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.152. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.153. RULES. (a) The district has the general power and duty to adopt and enforce rules as provided by Section
375.096(c), Local Government Code.

(b) The district may adopt and enforce rules covering its public transit system or its public parking facilities, except that a rule relating to or affecting the use of the public right-of-way or a requirement for off-street parking is subject to all applicable county requirements.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 12, eff. May 28, 2015.

Sec. 3916.154. FEES. The district may set the amount of and impose a fee for the use of the district's public transit system and parking facilities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.155. AGREEMENT WITH RAPID TRANSIT AUTHORITY. (a) In this section, "authority" means a rapid transit authority created under Chapter 451, Transportation Code.

(b) The district and an authority may agree to jointly construct, own, operate, and maintain a transit facility or a parking facility under the terms the authority and district desire.

(c) The agreement may provide that the district and the authority exchange or trade land provided that each party to the agreement receives fair market value. The authority is not required to offer any property that it proposes to trade to the district for sale to the public or for sale to any abutting property owner.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3916.201. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, maintain, or
provide any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.202. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

1. the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county; or
2. at least 50 persons who own real property in the district subject to assessment, if more than 50 persons own real property in the district according to the most recent certified tax appraisal roll for the county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.203. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.204. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district without regard to whether that area is already subject to or overlaps with an area of the district that is subject to a prior assessment imposed by the board.

Statute text rendered on: 6/18/2019
(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district are:

1. a first and prior lien against the property assessed;
2. superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
3. the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.205. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.206. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS. The district may not impose an assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

1. an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
2. a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
3. a telecommunications provider as defined by Section
51.002, Utilities Code; or
   (4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.207. CONDUITS. (a) The district may finance, acquire, construct, improve, operate, maintain, or charge a fee for the use of conduits for:

   (1) fiber-optic cable and supporting facilities;
   (2) electronic transmission and distribution lines and supporting facilities; or
   (3) other types of transmission and distribution lines and supporting facilities.

   (b) The district may not require a person to use a conduit for a purpose described by Subsection (a)(1) or for any other telecommunications purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.208. RESIDENTIAL PROPERTY. Section 375.161, Local Government Code, does not apply to:

   (1) a tax imposed by the district; or
   (2) a required payment for a service provided by the district, including water and sewer service.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.209. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 3916.213, the district may impose an annual operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

   (1) operate and maintain the district;
   (2) construct or acquire improvements; or
provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.210. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.211. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board.

(b) The district may by competitive bid or negotiated sale issue bonds, notes, or other obligations payable wholly or partly from taxes, including ad valorem taxes, or assessments, fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) In addition to any other terms authorized by the board by bond order or resolution, the proceeds of the district's bonds may be used for a reserve fund, credit enhancement, or capitalized interest for the bonds.

(d) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.
Sec. 3916.212. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 3916.213. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:
   (1) revenue other than ad valorem taxes; or
   (2) contract payments described by Section 3916.210.
   (b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or sales and use tax or issue bonds payable from ad valorem taxes.
   (c) Section 375.243, Local Government Code, does not apply to the district.
   (d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of district bonds may be included in one single proposition to be voted on at the election or the bonds may be submitted in several propositions.

Sec. 3916.214. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
eff. June 14, 2013.

SUBCHAPTER E. DEFINED AREAS

Sec. 3916.226. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.227. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the defined area or designated property, the board shall hold an election in the defined area or in the designated property only.

(b) The election shall be conducted as provided by Section 3916.213.

(c) The board may submit the issues to the voters on the same ballot to be used in another election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.228. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
Sec. 3916.229. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3916.228, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.230. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3916.228 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

SUBCHAPTER F. SALES AND USE TAX

Sec. 3916.251. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.

(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.252. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) The board by order may call an election to authorize the
adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the Generation Park Management District at a rate not to exceed ____ percent" (insert rate of one or more increments of one-eighth of one percent).

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.253. SALES AND USE TAX RATE. (a) On or after the date the results are declared of an election held under Section 3916.252, at which the voters approved imposition of the tax authorized by this subchapter, the board shall determine and adopt by resolution or order the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) After the election held under Section 3916.252, the board may increase or decrease the rate of the tax by one or more increments of one-eighth of one percent.

(c) The initial rate of the tax or any rate resulting from subsequent increases or decreases may not exceed the lesser of:

(1) the maximum rate authorized by the district voters at the election held under Section 3916.252; or

(2) a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate prescribed by Section 321.101(f), Tax Code, at any location in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.254. TAX AFTER ANNEXATION. (a) This section applies to the district after a municipality annexes part of the territory in the district and imposes the municipality's sales and use tax in the annexed territory.

(b) If at the time of annexation the district has outstanding debt or other obligations payable wholly or partly from district
sales and use tax revenue, Section 321.102(g), Tax Code, applies to the district.

(c) If at the time of annexation the district does not have outstanding debt or other obligations payable wholly or partly from district sales and use tax revenue, the district may:

(1) exclude the annexed territory from the district, if the district has no outstanding debt or other obligations payable from any source; or

(2) reduce the sales and use tax in the annexed territory by resolution or order of the board to a rate that, when added to the sales and use tax rate imposed by the municipality in the annexed territory, is equal to the sales and use tax rate imposed by the district in the district territory that was not annexed by the municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.255. NOTIFICATION OF RATE CHANGE. The board shall notify the comptroller of any changes made to the tax rate under this subchapter in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.256. USE OF REVENUE. Revenue from the sales and use tax imposed under this subchapter is for the use and benefit of the district and may be used for any district purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.257. ABOLITION OF TAX. (a) Except as provided by Subsection (b), the board may abolish the tax imposed under this
subchapter without an election.

(b) The board may not abolish the tax imposed under this subchapter if the district has outstanding debt secured by the tax, and repayment of the debt would be impaired by the abolition of the tax.

(c) If the board abolishes the tax, the board shall notify the comptroller of that action in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

(d) If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held under Section 3916.252 before the district may subsequently impose the tax.

(e) This section does not apply to a decrease in the sales and use tax authorized under Section 3916.254(c)(2).

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

SUBCHAPTER G. HOTEL OCCUPANCY TAX

Sec. 3916.301. DEFINITION. In this subchapter, "hotel" has the meaning assigned by Section 156.001, Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.302. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.

(a) In this subchapter:
   (1) a reference in Subchapter A, Chapter 352, Tax Code, to a county is a reference to the district; and
   (2) a reference in Subchapter A, Chapter 352, Tax Code, to the commissioners court is a reference to the board.

(b) Except as inconsistent with this subchapter, Subchapter A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized by this subchapter, including the collection of the tax, subject to the limitations prescribed by Sections 352.002(b) and (c), Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
Sec. 3916.303. TAX AUTHORIZED; USE OF REVENUE. The district may impose a hotel occupancy tax for any purpose described by Section 351.101 or 352.101, Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.304. TAX RATE. (a) The amount of the hotel occupancy tax may not exceed the lesser of:

(1) the maximum rate prescribed by Section 352.003(a), Tax Code; or

(2) a rate that, when added to the rates of all hotel occupancy taxes imposed by other political subdivisions with territory in the district and by this state, does not exceed the sum of the rate prescribed by Section 351.0025(b), Tax Code, and two percent.

(b) The district tax is in addition to a tax imposed by the city under Chapter 351, Tax Code, or by the county under Chapter 352, Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.305. INFORMATION. The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

Sec. 3916.306. USE OF REVENUE. The district may use revenue from the hotel occupancy tax for any district purpose that is an authorized use of hotel occupancy tax revenue under Chapter 351 or 352, Tax Code. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations and that pledge of revenue may be in combination with other revenue available to the
Sec. 3916.307. ABOLITION OF TAX. (a) Except as provided by Subsection (b), the board may abolish the tax imposed under this subchapter.

(b) The board may not abolish the tax imposed under this subchapter if the district has outstanding debt secured by the tax, and repayment of the debt would be impaired by the abolition of the tax.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.

SUBCHAPTER H. DISSOLUTION AND CONSOLIDATION

Sec. 3916.351. DISSOLUTION OF DISTRICT. Notwithstanding Section 375.263(b), Local Government Code, on dissolution of the district, the board shall determine whether the district's assets will escheat to the state or are transferred to a political subdivision of the state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 140 (S.B. 839), Sec. 13, eff. May 28, 2015.

Sec. 3916.352. CONSOLIDATION. In addition to any other provision provided by law, including Subchapter M, Chapter 375, Local Government Code, the district and one or more other districts governed by Chapter 54, Water Code, may be consolidated in accordance with Subchapter H, Chapter 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1112 (H.B. 3860), Sec. 1, eff. June 14, 2013.
For contingent expiration of this chapter, see Sections 3917.002 and 3917.251.

CHAPTER 3917. WESTWOOD MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3917.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of League City.
(3) "County" means Galveston County.
(4) "Director" means a board member.
(5) "District" means the Westwood Management District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.002. PRECONDITION; EXPIRATION. (a) The district may not exercise any powers under this chapter until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) This chapter, including Section 3917.055, expires September 1, 2015, if any municipality described by Subsection (a) has not consented to the creation of the district and the inclusion of land in the district by that date.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.003. NATURE OF DISTRICT. The Westwood Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.004. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By
creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on bonds;

(3) right to impose or collect a tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.007. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES; AGREEMENTS. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;

(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) a district created under Chapter 42, Local Government Code, that has the same or similar powers, duties, and authority as the district created under this chapter.

(b) The district may enter into an agreement with a district described by Subsection (a)(4) to coordinate services and improvement projects.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.008. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.009. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3917.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution or the governing body of the city by resolution or ordinance may change the number of directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than seven directors.
Sec. 3917.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the city shall appoint directors from persons recommended by the board. A person is appointed if a majority of those members and the mayor vote to appoint that person.

Sec. 3917.053. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification; or

(2) a director who is abstaining from participation in a vote because of a conflict of interest.

Sec. 3917.054. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Sec. 3917.055. INITIAL DIRECTORS. (a) The initial board consists of the following directors:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Travis Campbell</td>
</tr>
<tr>
<td>2</td>
<td>Scott Short</td>
</tr>
<tr>
<td>3</td>
<td>Javier Morales</td>
</tr>
</tbody>
</table>
4 Tommy Cones
5 Maria Morales

(b) Of the initial directors, the terms of directors appointed for positions one and two expire June 1, 2015, and the terms of directors appointed for positions three through five expire June 1, 2017.

(c) Section 3917.052 does not apply to this section.

(d) This section expires September 1, 2019.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3917.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.103. DEVELOPMENT CORPORATION AND DISTRICT POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, and a municipal development district under Chapter 377, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under those
chapters.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.104. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

(c) The board may enter into a contract with the board of directors of a tax increment reinvestment zone created under Chapter 311, Tax Code, that has territory within or bordering the district and the governing body of the municipality or county that created the zone to manage the zone or implement the project plan and reinvestment zone financing plan.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.105. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.107. ECONOMIC DEVELOPMENT. (a) The district may
engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
   (1) make loans and grants of public money; and
   (2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:
   (1) Chapter 380, Local Government Code, provides to a municipality; and
   (2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.108. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.109. APPROVAL BY CITY. (a) The district must obtain the approval of the city for:
   (1) the issuance of bonds; and
   (2) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted to the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds.

(c) The governing body of the city:
   (1) is not required to adopt a resolution or ordinance to
approve plans and specifications described by Subsection (a); and
(2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the involvement of the governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3917.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.152. MONEY USED FOR IMPROVEMENT PROJECTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.153. ASSESSMENTS NOT AUTHORIZED. (a) The district may not impose an assessment.
(b) Subchapter F, Chapter 375, Local Government Code, does not apply to the district.
Sec. 3917.154. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax approved by the district voters or a required payment for service provided by the district, including water and sewer services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.155. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.156. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district may issue bonds, impose taxes, or borrow money, the district and the city must negotiate and execute a mutually approved and accepted interlocal project development agreement regarding the development plans and rules for:

(1) the development and operation of the district; and
(2) the financing of improvement projects.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER E. TAXES AND BONDS**

Sec. 3917.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3917.203.

(b) The district must hold an election in the manner provided
by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3917.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

Sec. 3917.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.
Sec. 3917.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS.  
(a) The district may borrow money on terms determined by the board.  
Section 375.205, Local Government Code, does not apply to a loan,  
line of credit, or other borrowing from a bank or financial  
institution secured by revenue other than ad valorem taxes.  
(b) The district may issue bonds, notes, or other obligations  
payable wholly or partly from ad valorem taxes, impact fees, revenue,  
contract payments, grants, or other district money, or any  
combination of those sources of money, to pay for any authorized  
district purpose.

Sec. 3917.205. TAXES FOR BONDS. At the time the district  
issues bonds payable wholly or partly from ad valorem taxes, the  
board shall provide for the annual imposition of a continuing direct  
annual ad valorem tax, without limit as to rate or amount, for each  
year that all or part of the bonds are outstanding as required and in  
the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 3917.206. BONDS FOR RECREATIONAL FACILITIES. The  
limitation on the outstanding principal amount of bonds, notes, and  
other obligations provided by Section 49.4645, Water Code, does not  
apply to the district.

Sec. 3917.207. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.  
Except as provided by Section 375.263, Local Government Code, the
city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

SUBCHAPTER F. DISSOLUTION

Sec. 3917.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, except that Section 375.264, Local Government Code, does not apply to the district. (b) The board may dissolve the district regardless of whether the district has debt. (c) If by December 31, 2037, the district has not been dissolved, the district is dissolved and this chapter expires on that date. (d) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

Added by Acts 2013, 83rd Leg., R.S., Ch. 832 (S.B. 1884), Sec. 1, eff. June 14, 2013.

For contingent expiration of this chapter, see Section 3918.004.

CHAPTER 3918. COMANCHE MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3918.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Aubrey.
(3) "County" means Denton County.
(4) "Director" means a board member.
(5) "District" means the Comanche Municipal Management District No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.
Sec. 3918.002. NATURE OF DISTRICT. The Comanche Municipal Management District No. 1 is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The initial directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.004. CITY CONSENT AND DEVELOPMENT AGREEMENT EXECUTION REQUIRED. (a) The initial directors may not hold an election under Section 3918.003 until the city has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and

(2) entered into a development agreement with the owners of the real property in the district under Section 212.172, Local Government Code.

(b) The district is dissolved and this chapter expires September 1, 2017, if:

(1) the city has not consented to the creation of the district and to the inclusion of land in the district under Subsection (a)(1) before that date; or

(2) the development agreement described by Subsection (a)(2) is not entered into before that date.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.005. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.
Constitution, and other public purposes stated in this chapter. By creating the district, and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city and county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and
consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas, which are necessary for the restoration, preservation, and enhancement of scenic beauty.
(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.
(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.007. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to borrow money or issue any type of bonds or other obligations described by Section 3918.203 for a purpose for which the district is created or to pay the principal of and interest on the bonds or other obligations;
(3) right to impose or collect an assessment or collect other revenue;
(4) legality or operation; or
(5) right to contract.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.
Sec. 3918.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district that is not in the city's corporate limits is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:

(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and
(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3918.203.

(c) All or any part of the area of the district that is within the city's corporate limits is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code; or
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code.

(d) If the city creates a tax increment reinvestment zone described by Subsection (c)(1), the city and the board of directors of the zone, by contract, may allocate money deposited in the tax increment fund between the city and the district to be used by the city and the district for:

(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code;
(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3918.203; and
(3) funding services provided by the city to the area in the district.

(e) A tax increment reinvestment zone created by the city in
the district is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.009. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.010. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3918.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 3918.052, directors serve staggered four-year terms, with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.052. INITIAL DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal rolls for the county may submit a petition to the city requesting that the city appoint as initial directors the five persons named in the petition. The city shall appoint as initial directors the five
persons named in the petition.

(b) Initial directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 3918.003; or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 3918.003 and the terms of the initial directors have expired, successor initial directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 3918.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal rolls for the county may submit a petition to the city requesting that the city appoint as successor initial directors the five persons named in the petition. The city shall appoint as successor initial directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3918.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.
Sec. 3918.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Sec. 3918.104. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.

Sec. 3918.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Sec. 3918.106. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Sec. 3918.107. EMERGENCY SERVICES. (a) This section applies only to territory in the district:
that is in the extraterritorial jurisdiction of the city;
(2) for which a plat has been filed; and
(3) that includes 100 or more residents.
(b) To protect the public interest, the district shall provide or contract with a qualified party to provide emergency services, including law enforcement, fire, and ambulance services, in the territory described by Subsection (a).

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.108. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3918.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.
Sec. 3918.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project:

(1) is necessary to accomplish a public purpose of the district; and

(2) complies with the development agreement entered into under Section 3918.004(a)(2) or the parties to that development agreement agree to the project, in writing.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.154. CITY REQUIREMENTS. (a) An improvement project in the corporate limits of the city must comply with any applicable requirements of the city, including codes and ordinances, that are consistent with the development agreement entered into under Section 3918.004(a)(2).

(b) The district may not provide, conduct, or authorize any improvement project on the city's streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.155. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code; or

(2) Chapter 375, Local Government Code.
Subchapter D. General Financial Provisions; Assessments

Sec. 3918.201. Disbursements and transfers of money. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 3918.202. Money used for improvements or services. The district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

Sec. 3918.203. Borrowing money; obligations. (a) The district may borrow money for a district purpose without holding an election by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract or other agreement payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):

(1) may bear interest at a rate determined by the board; and

(2) may include a term or condition as determined by the board.

Sec. 3918.204. Assessments. (a) Except as provided by Subsection (b), the district may imposing an assessment on property in
the district to pay for an obligation described by Section 3918.203
in the manner provided for:

   (1)  a district under Subchapters A, E, and F, Chapter 375,
Local Government Code; or
   (2)  a municipality or county under Subchapter A, Chapter

(b) The district may not impose an assessment on a
municipality, county, or other political subdivision.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1,
eff. September 1, 2013.

Sec. 3918.205. NOTICE OF ASSESSMENTS. (a) The board shall
annually file written notice with the secretary of the city that
specifies the assessments the district will impose in the district's
next fiscal year in sufficient clarity to describe the assessments
for the operation and maintenance of the district and the assessments
for the payment of debt service of obligations issued or incurred by
the district.

(b) The board shall annually record in the deed records of the
county a current assessment roll approved by the governing body of
the city.

(c) The assessment roll must clearly state that the assessments
in the assessment roll are in addition to the ad valorem taxes
imposed by other taxing units that tax real property in the district.

(d) The district shall generate and implement a program to
provide notification to a prospective purchaser of property in the
district of the assessments that have been approved and are imposed
by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1,
eff. September 1, 2013.

Sec. 3918.206. RESIDENTIAL PROPERTY NOT EXEMPT. Section
375.161, Local Government Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1,
eff. September 1, 2013.
Sec. 3918.207. NO IMPACT FEES. The district may not impose an impact fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.208. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

SUBCHAPTER E. DISSOLUTION

Sec. 3918.251. DISSOLUTION BY CITY. (a) The city may dissolve the district by ordinance after the city annexes the district.

(b) Notwithstanding Subsection (a), the city may not dissolve the district until:

(1) the district's outstanding debt or contractual obligations have been repaid or discharged; or

(2) the city agrees to succeed to the rights and obligations of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.

Sec. 3918.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

(a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations of the district.
Sec. 3918.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

CHARTER 3919. OLD CELINA MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3919.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Celina, Texas.
(3) "Commission" means the Texas Commission on Environmental Quality.
(4) "County" means Collin County, Texas.
(5) "Director" means a board member.
(6) "District" means the Old Celina Municipal Management District No. 1.

Sec. 3919.002. CREATION AND NATURE OF DISTRICT. The Old Celina Municipal Management District No. 1 is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 1, eff. September 1, 2013.
Sec. 3919.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or county from providing the level of services provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the city and county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and
diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.
(e) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.
(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.
(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.
other revenue; or
(5) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
3. an enterprise zone created under Chapter 2303, Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:

1. the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and
2. any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3919.203.

(c) If the city creates a tax increment reinvestment zone described by Subsection (a), the city may determine the percentage of the property in the zone that may be used for residential purposes and is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3,
Sec. 3919.008. FORM OF CITY APPROVAL. (a) A statutory requirement relating to the duty of the district to obtain the approval or consent of the city in a manner other than the manner described by Subsection (b) before the district takes an action, including a requirement prescribed by Section 42.042 or Chapter 375, Local Government Code, or Chapter 54, Water Code, does not apply to the district.

(b) If a statute, including this chapter, requires the district to obtain the city's approval or consent before taking an action, the district may not take that action unless the action is authorized by a city resolution or ordinance approved by a majority of the governing body of the city.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.009. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3919.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered terms of four years, with two or three directors' terms expiring May 31 of each odd-numbered year.

(c) The board shall hold an election for directors on the uniform election date in May in odd-numbered years.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 796 (H.B. 2881), Sec. 2, eff. September 1, 2017.
Sec. 3919.052. QUALIFICATIONS OF DIRECTOR. (a) Section 375.072(c), Local Government Code, does not apply to a director.  
(b) Section 49.052, Water Code, does not apply to the district.  
(c) Repealed by Acts 2017, 85th Leg., R.S., Ch. 796 (H.B. 2881), Sec. 8, eff. September 1, 2017.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.
Amended by:
- Acts 2017, 85th Leg., R.S., Ch. 796 (H.B. 2881), Sec. 3, eff. September 1, 2017.
- Acts 2017, 85th Leg., R.S., Ch. 796 (H.B. 2881), Sec. 8, eff. September 1, 2017.

Sec. 3919.053. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director to serve for the remainder of the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.
Amended by:
- Acts 2017, 85th Leg., R.S., Ch. 796 (H.B. 2881), Sec. 4, eff. September 1, 2017.

Sec. 3919.054. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.055. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3,
eff. September 1, 2013.

Sec. 3919.056. COMPENSATION; EXPENSES. (a) The district shall compensate directors as provided by Section 49.060, Water Code.
(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 796 (H.B. 2881), Sec. 5, eff. September 1, 2017.

Sec. 3919.057. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures the directors against personal liability and from all claims for actions taken as directors or actions and activities taken by the district or by others acting on its behalf.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.058. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.059. REMOVAL OF DIRECTORS. (a) The board may remove a director by unanimous vote of the other directors if the director has missed at least half of the meetings scheduled during the preceding 12 months.
(b) A director removed under this section may file a written appeal with the commission not later than the 30th day after the date the director receives written notice of the board action. The
commission may reinstate the director if the commission finds that the removal was unwarranted under the circumstances after considering the reasons for the absences, the time and place of the meetings, the business conducted at the meetings missed, and any other relevant circumstances.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.
Amended by:
  Acts 2017, 85th Leg., R.S., Ch. 796 (H.B. 2881), Sec. 6, eff. September 1, 2017.

Sec. 3919.061. TRANSITIONAL DIRECTORS AND INITIAL PERMANENT DIRECTORS. (a) The transitional board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Matthew Kiran</td>
</tr>
<tr>
<td>2</td>
<td>Scott Balch</td>
</tr>
<tr>
<td>3</td>
<td>Charles Brown</td>
</tr>
<tr>
<td>4</td>
<td>G. A. Moore, Jr.</td>
</tr>
<tr>
<td>5</td>
<td>Matt Gold</td>
</tr>
</tbody>
</table>

(b) A transitional director serves until the earlier of:
(1) the date the initial permanent directors are elected under Section 3919.051; or
(2) September 1, 2021.

(c) If the initial permanent directors have not been elected under Section 3919.051, and the terms of the transitional directors have expired, the commission shall appoint successor transitional directors as provided by Subsection (d) to serve terms that expire the earlier of:
(1) the date initial permanent directors are elected under Section 3919.051; or
(2) the fourth anniversary of the date the preceding transitional directors' terms expired.

(d) If the initial permanent directors have not been elected under Section 3919.051, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal rolls for the county may submit a written petition to the commission requesting that the commission appoint successor transitional directors to serve four-year terms.
beginning on the date the terms of the transitional directors then
serving expire. The commission shall appoint as the successor
transitional directors five persons named in a list of nominees
included with the petition.

(e) The initial permanent directors elected under Section
3919.051 shall draw lots to determine which two shall serve two-year
terms and which three shall serve four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 796 (H.B. 2881), Sec. 7, eff.
September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3919.101. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3,
eff. September 1, 2013.

Sec. 3919.102. IMPROVEMENT PROJECTS. The district may provide,
or it may enter into contracts with a governmental or private entity
to provide, the improvement projects described by Subchapter C-1 or
activities in support of or incidental to those projects.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3,
eff. September 1, 2013.

Sec. 3919.103. WATER DISTRICT POWERS. (a) Except as provided
by Subsection (b), the district has the powers provided by the
general laws relating to conservation and reclamation districts
created under Section 59, Article XVI, Texas Constitution, including
Chapters 49 and 54, Water Code.

(b) The district may not provide wholesale or retail water or
wastewater service.

(c) The district shall display a design selected by the city on
a water tower or tank the district constructs or finances. The
district may not display the name or logo of the district or of any
other entity on the water tower or tank.
Sec. 3919.104.  ROAD PROJECT POWERS; LIMITATION.  The district has the road project powers provided by Chapter 375, Local Government Code, except that the district may not impose an ad valorem tax under Section 375.0921, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.105.  PUBLIC IMPROVEMENT DISTRICT POWERS.  The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.106.  CONTRACT POWERS.  The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.107.  LIMITATIONS ON EMERGENCY SERVICES POWERS.  Sections 49.216 and 49.351, Water Code, do not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.108.  ECONOMIC DEVELOPMENT.  The district may engage in activities that accomplish the economic development purposes of the district.
Sec. 3919.109. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory inside the boundaries of the city or the extraterritorial jurisdiction of the city to the district or remove territory inside the boundaries of the city or the extraterritorial jurisdiction of the city from the district, except that:

1. the addition or removal of the territory must be approved by the city;
2. the addition or removal may not occur without petition by the owners of the territory being added or removed; and
3. territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from assessments assessed on the territory are outstanding.

Sec. 3919.110. NO TOLL ROADS OR MASS TRANSIT. The district may not construct, acquire, maintain, or operate a toll road or mass transit system.

Sec. 3919.111. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES
Sec. 3919.151. IMPROVEMENT PROJECTS AND SERVICES. Except as otherwise provided by this chapter, the district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance...
an improvement project or service using any money available to the
district, or contract with a governmental or private entity to
provide, design, construct, acquire, improve, relocate, operate,
maintain, or finance an improvement project or service authorized
under this chapter or Chapter 372 or 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3,
eff. September 1, 2013.

Sec. 3919.152. BOARD DETERMINATION REQUIRED. The district may
not undertake an improvement project unless the board determines the
project is necessary to accomplish a public purpose of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3,
eff. September 1, 2013.

Sec. 3919.153. LOCATION OF IMPROVEMENT PROJECT. An improvement
project may be located or provide service inside or outside the
district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3,
eff. September 1, 2013.

Sec. 3919.154. CITY REQUIREMENTS. (a) An improvement project
in the city must comply with any applicable requirements of the city,
including codes and ordinances.

(b) The district may not provide, conduct, or authorize any
improvement project on the city's streets, highways, rights-of-way,
or easements without the consent of the city.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3,
eff. September 1, 2013.

Sec. 3919.155. ADDITIONAL CITY POWERS REGARDING IMPROVEMENT
PROJECTS. (a) The city may:

(1) by ordinance or resolution require that title to all or
any portion of an improvement project vest in the city; or
(2) by ordinance or resolution authorize the district to own, encumber, maintain, and operate an improvement project or convey the project to the city at a later date.

(b) The district shall immediately comply with any city ordinance or resolution adopted under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.156. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code; or
(2) Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.157. CONTRACTS. A contract to design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project is considered a contract for a good or service under Subchapter I, Chapter 271, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3919.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.
Sec. 3919.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.203. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose, including the acquisition or construction of improvement projects authorized by this chapter and the reimbursement of a person who develops or owns an improvement project authorized by this chapter, without holding an election by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract or other agreement payable wholly or partly from an assessment, a contract payment, a grant, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):

(1) may bear interest at a rate determined by the board; and

(2) may include a term or condition as determined by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.204. ASSESSMENTS. (a) Except as provided by Subsection (b), the district may impose an assessment on property in the district to pay for an obligation described by Section 3919.203 in the manner provided for:

(1) a district under Subchapter F, Chapter 375, Local Government Code; or

(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

(b) The district may not impose an assessment on a municipality, county, or other political subdivision.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.
Sec. 3919.205. NOTICE OF ASSESSMENTS. (a) The board shall annually file written notice with the secretary of the city that specifies the assessments the district will impose in the district's next fiscal year in sufficient clarity to describe the assessments for the operation and maintenance of the district and the assessments for the payment of debt service of obligations issued or incurred by the district.

(b) The board shall annually record in the deed records of the county a current assessment roll approved by the city.

(c) The assessment roll must clearly state that the assessments in the assessment roll are in addition to the ad valorem taxes imposed by other political subdivisions that tax real property in the district.

(d) The district shall generate and implement a program to provide notice modeled on the notice described by Section 49.452(c), Water Code, to a prospective purchaser of property in the district of the assessments that have been approved and are imposed by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.206. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.207. NO IMPACT FEES. The district may not impose an impact fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.208. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3,
eff. September 1, 2013.

**SUBCHAPTER E. DISSOLUTION**

Sec. 3919.251. DISSOLUTION BY CITY. (a) The city may dissolve the district by ordinance.

(b) The city may not dissolve the district until:

1. the district's outstanding debt or contractual obligations have been repaid or discharged; or

2. the city agrees to succeed to the rights and obligations of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

1. the bonds or other obligations when due and payable according to their terms; or

2. special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 3, eff. September 1, 2013.

Sec. 3919.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.
CHAPTER 3920.  HIGHWAY 380 MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 3920.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the Town of Little Elm.
(3) "County" means Denton County.
(4) "Director" means a board member.
(5) "District" means the Highway 380 Municipal Management District No. 1.

Sec. 3920.002.  NATURE OF DISTRICT.  The Highway 380 Municipal Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3920.003.  PURPOSE; DECLARATION OF INTENT.  (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the
level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.
Sec. 3920.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3920.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.
Sec. 3920.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3920.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff.
Sec. 3920.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff.
Sec. 3920.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.109. PARKING FACILITIES. (a) The district may
acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.111. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3920.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.
Sec. 3920.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's
resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.155. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax authorized or approved by the voters of the district or a required payment for a service provided by the district, including water and sewer services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.156. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of district taxes or assessments on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3920.201. CONSENT OF CITY REQUIRED. The district may not impose a tax or issue a bond until the city has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.202. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other
obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3920.204.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.203. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3920.202, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.204. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters.
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.205. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

Sec. 3920.206. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 831 (S.B. 1878), Sec. 1, eff. June 14, 2013.

CHAPTER 3921. FULSHEAR PARKWAY IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4721, 86th Legislature, Regular Session, for amendments affecting the following section.
Sec. 3921.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Fulshear Parkway Improvement District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4721, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 3921.002. NATURE OF DISTRICT. The Fulshear Parkway Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing a municipality, county, or other political subdivision to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve a municipality or county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant municipal or county services provided in the district.
Sec. 3921.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4721, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 3921.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS
LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3921.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than nine voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.052. APPOINTMENT OF VOTING DIRECTORS. (a) The governing body of Fort Bend County shall appoint voting directors from persons nominated by the board.

(b) The governing body of Fort Bend County may reject the nomination of a person by the board for a position as a voting director. If the governing body rejects a nomination, the board shall submit a new nominee for that position until the governing body appoints a director to each position on the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.
Sec. 3921.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

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Sec. 3921.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any
money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.
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(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including a municipality or county, to provide law enforcement services in the district for a fee.

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(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

   (1) make loans and grants of public money; and
   (2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

   (1) Chapter 380, Local Government Code; and
Sec. 3921.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.111. ACCESS TO ROAD FACILITIES. The district may control, restrict, and determine the type and extent of access to or from a road facility, including designating and approving the locations of access to the road facility from a street, road, alley, highway, or other public or private road intersecting the road facility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.
Sec. 3921.112. ROAD STANDARDS AND REQUIREMENTS. (a) A road facility must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road facility is located.

(b) If a road facility is not located in the corporate limits of a municipality, the road facility must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road facility is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road facility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.113. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

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Sec. 3921.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.
Sec. 3921.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county in which the assessments are to be imposed.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.
(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.155. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax authorized or approved by the district voters or a required payment for service provided by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.156. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER E. TAXES AND BONDS**

Sec. 3921.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3921.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be
voted on at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3921.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code,
does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

Sec. 3921.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 827 (S.B. 1864), Sec. 1, eff. June 14, 2013.

CHAPTER 3922. MESQUITE MEDICAL CENTER MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3922.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Mesquite.
(3) "County" means Dallas County.
(4) "Director" means a board member.
(5) "District" means the Mesquite Medical Center Management District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.
Sec. 3922.002. NATURE OF DISTRICT. The Mesquite Medical Center Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:
(1) developing and diversifying the economy of the state;  
(2) eliminating unemployment and underemployment; and  
(3) developing or expanding transportation and commerce.
(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;  
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;  
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and  
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.
(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.
(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;  
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or 
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 3922.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five voting directors who serve staggered
terms of four years, with two or three directors' terms expiring June
1 of each odd-numbered year.

(b) The board by resolution may change the number of voting
directors on the board if the board determines that the change is in
the best interest of the district. The board may not consist of
fewer than 5 or more than 11 voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff.
June 14, 2013.

Sec. 3922.052. APPOINTMENT OF VOTING DIRECTORS. (a) The mayor
and members of the governing body of the city shall appoint voting
directors from persons recommended by the board.

(b) A person is appointed if a majority of the members of the
governing body and the mayor vote to appoint that person.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff.
June 14, 2013.

Sec. 3922.053. NONVOTING DIRECTORS. The board may appoint
nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff.
June 14, 2013.

Sec. 3922.054. QUORUM. For purposes of determining the
requirements for a quorum of the board, the following are not
counted:

(1) a board position vacant for any reason, including
death, resignation, or disqualification;

(2) a director who is abstaining from participation in a
vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff.
June 14, 2013.
Sec. 3922.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3922.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.
Sec. 3922.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.
Sec. 3922.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Sec. 3922.111. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 3922.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Sec. 3922.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Sec. 3922.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has
been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

1. are a first and prior lien against the property assessed;
2. are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
3. are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.155. EXEMPTIONS. Section 375.162, Local Government Statute text rendered on: 6/18/2019
Code, does not apply to an organization exempt from federal income tax under Section 501(a), Internal Revenue Code of 1986, by being described by Section 501(c)(3) of that code, operating in the district. The organization is not exempt from paying a district assessment.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.156. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax authorized or approved by the voters of the district or a required payment for a service provided by the district, including water and sewer services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.157. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of district taxes or assessments on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3922.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

1. revenue other than ad valorem taxes; or
2. contract payments described by Section 3922.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be
submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3922.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

1. maintain and operate the district;
2. construct or acquire improvements; or
3. provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a
bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

Sec. 3922.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 816 (S.B. 1828), Sec. 1, eff. June 14, 2013.

For contingent expiration of this chapter, see Section 3924.005.

CHAPTER 3924. ONION CREEK METRO PARK DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3924.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Austin.
(3) "County" means Travis County.
(4) "Director" means a board member.
(5) "District" means the Onion Creek Metro Park District.
Sec. 3924.002. NATURE OF DISTRICT. The Onion Creek Metro Park District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.004. CONFIRMATION ELECTION REQUIRED. The initial directors shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.
Sec. 3924.005. CONSENT OF MUNICIPALITY REQUIRED. (a) The initial directors may not hold an election under Section 3924.004 until the city has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) If the city does not consent to the creation of the district and to the inclusion of land in the district before September 1, 2014:

(1) the district is dissolved September 1, 2014, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to the city or another local governmental entity to be used for a public purpose; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter, including Section 3924.055, expires September 1, 2014.

(c) In addition to the requirements prescribed by Subsection (a), the ordinance or resolution described by Subsection (a):

(1) must specify the qualifications for persons to be eligible to serve as permanent directors; and

(2) may limit the number of terms a director may serve.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:
(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.
(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.
(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.007. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:
(1) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(2) an enterprise zone created under Chapter 2303, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.009. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.010. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3924.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven voting directors who serve staggered terms of four years, with three or four directors' terms expiring June 1 of each odd-numbered year.
(b) The qualifications of the permanent directors must comply
with those established in the ordinance or resolution under Section 3924.005(c)(1).

(c) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district and the city approves the change. The board may not consist of fewer than 7 or more than 15 voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.052. APPOINTMENT OF VOTING DIRECTORS. The governing body of the city shall appoint the voting directors. A person is appointed if a majority of the members of the governing body vote to appoint that person.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.053. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification; or

(2) a director who is abstaining from participation in a vote because of a conflict of interest.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.054. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3924.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.103. LOCATION OF IMPROVEMENT PROJECT. An improvement project described by Section 3924.102 may be located:

(1) in the district; or

(2) in an area outside the district if the board determines that the project benefits the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.104. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.
Sec. 3924.105. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.106. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.107. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services for a fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.109. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and

(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.110. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.
Sec. 3924.111. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

(1) the issuance of bonds;
(2) the annexation of land in the city or the extraterritorial jurisdiction of the city;
(3) the plans and specifications of an improvement project financed by bonds; and
(4) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds or annex land in the city or extraterritorial jurisdiction of the city until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds or the annexation of the land.

(c) If the district obtains the approval of the city's governing body of a capital improvements budget for a period not to exceed 10 years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

(d) The governing body of the city:

(1) is not required to adopt a resolution or ordinance to approve plans and specifications described by Subsection (a); and
(2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the involvement of the governing body.

Sec. 3924.112. COMPLIANCE WITH MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION; ENFORCEABILITY OF AGREEMENT. (a) The district shall comply with all applicable requirements of an ordinance or resolution adopted by the city that consents to the creation of the district or to the inclusion of land in the district.
(b) Any agreement between the district and the city related to the city's consent to the creation of the district is valid and enforceable.

(c) On the issuance of bonds by the district, the district is considered to have waived sovereign immunity to suit by the city for the purpose of adjudicating a claim for breach of an agreement described by this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.113. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; TAX AND ASSESSMENT ABATEMENTS**

Sec. 3924.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.153. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any
purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.154. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax authorized or approved by the voters of the district or a required payment for a service provided by the district, including water and sewer services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of district taxes or assessments on property in the zones.
Sec. 3924.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3924.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Sec. 3924.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3924.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 3924.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

Sec. 3924.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff.
Sec. 3924.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 830 (S.B. 1872), Sec. 1, eff. June 14, 2013.

For contingent expiration of this chapter, see Section 3926.008.

CHAPTER 3926. JOSHUA FARMS MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3926.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Cleburne, Texas.
(3) "Commission" means the Texas Commission on Environmental Quality.
(4) "County" means Johnson County, Texas.
(5) "Director" means a board member.
(6) "District" means the Joshua Farms Municipal Management District No. 1.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 1, eff. September 1, 2017.

Sec. 3926.002. CREATION AND NATURE OF DISTRICT. The Joshua Farms Municipal Management District No. 1 is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.
Sec. 3926.003.  PURPOSE; LEGISLATIVE FINDINGS.  (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.004.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve,
maintain, and enhance the economic health and vitality of the
district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and
developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic beauty.
(f) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, parking, and street art objects are parts of and
necessary components of a street and are considered to be a street or
road improvement.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff.
September 1, 2015.

Sec. 3926.005. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act enacting this chapter form a closure. A mistake in the field
notes or in copying the field notes in the legislative process does
not affect the district's:
(1) organization, existence, or validity;
(2) right to contract;
(3) authority to borrow money or issue bonds or other
obligations described by Section 3926.253 or to pay the principal and
interest of the bonds or other obligations;
(4) right to impose or collect an assessment or collect
other revenue; or
(5) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff.
September 1, 2015.

Sec. 3926.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a)
All or any part of the area of the district is eligible to be
included in:
(1) a tax increment reinvestment zone created under Chapter
311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or

(3) an enterprise zone created under Chapter 2303, Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:

(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and

(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3926.253.

(c) If the city creates a tax increment reinvestment zone described by Subsection (a), the city may determine the percentage of the property in the zone that may be used for residential purposes and is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.007. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. On receipt of a petition signed by the owners of a majority of the acreage and the assessed value of real property in the district according to the most recent certified tax appraisal roll for the county, the initial directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.008. DEVELOPMENT AND OPERATING AGREEMENT EXECUTION REQUIRED. (a) The initial directors may not hold an election under Section 3926.007 until the city has entered into a development and operating agreement under Section 3926.156.

(b) The district is dissolved and this chapter expires March 1,
2018, if the development and operating agreement is not entered into before that date.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.009. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. (a) Except as provided by this chapter, Chapter 375, Local Government Code, including Subchapters E and F, applies to the district.

(b) The following provisions of Chapter 375, Local Government Code, do not apply to the district:

(1) Sections 375.164 and 375.262; and

(2) Subchapters B and O.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.010. CONSTRUCTION OF CHAPTER. This chapter shall be construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.011. CONCURRENCE ON ADDITIONAL POWERS. If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city consents to that change by ordinance or resolution.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.012. CITY CONSENT TO CREATION OF DISTRICT. The city's consent to the creation of the district is not subject to the
limitations on the conditions or other restrictions the city may place on its consent under Section 42.042, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3926.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 3926.054, directors serve staggered four-year terms, with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.052. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.053. REMOVAL OF DIRECTORS. (a) The board may remove a director by unanimous vote of the other directors if the director has missed at least half of the meetings scheduled during the preceding 12 months.

(b) A director removed under this section may file a written appeal with the commission not later than the 30th day after the date the director receives written notice of the board action. The commission may reinstate the director if the commission finds that the removal was unwarranted under the circumstances after considering the reasons for the absences, the time and place of the meetings, the business conducted at the meetings missed, and any other relevant circumstances.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.
Sec. 3926.054. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ross Gatlin</td>
</tr>
<tr>
<td>2</td>
<td>Trent Horton</td>
</tr>
<tr>
<td>3</td>
<td>Pelham Smith</td>
</tr>
<tr>
<td>4</td>
<td>Brian Hegi</td>
</tr>
<tr>
<td>5</td>
<td>Nat Parker</td>
</tr>
</tbody>
</table>

(b) Initial directors serve until the earlier of:
1. the date permanent directors are elected under Section 3926.007; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 3926.007 and the terms of the initial directors have expired, successor initial directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
1. the date permanent directors are elected under Section 3926.007; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal rolls for the county may submit a petition to the commission requesting that the commission appoint as successor initial directors the five persons named in the petition. The commission shall appoint as successor initial directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3926.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.
Sec. 3926.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.
(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.106. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.107. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.108. AD VALOREM TAXATION. The district may not impose an ad valorem tax.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.109. LIMITATIONS ON EMERGENCY SERVICES POWERS. The district may not establish, operate, maintain, or finance a police or fire department without the consent of the city by ordinance or resolution.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.
Sec. 3926.110. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory inside the extraterritorial jurisdiction of the city to the district or remove territory inside the extraterritorial jurisdiction of the city from the district, except that:

(1) the addition or removal of the territory must be approved by the city;
(2) the addition or removal may not occur without petition by the owners of the territory being added or removed; and
(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from assessments assessed on the territory are outstanding.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.111. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.112. EMINENT DOMAIN. (a) Section 375.094, Local Government Code, does not apply to the district.

(b) Except as provided by Subsection (c), and subject to the consent of the city by ordinance or resolution, the district may exercise the right of eminent domain in the manner provided by Section 49.222, Water Code. The city may not unreasonably withhold consent under this section.

(c) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 3926.104; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.
Sec. 3926.113. ENFORCEMENT OF REAL PROPERTY RESTRICTIONS. The district may enforce a real property restriction in the manner provided by Section 54.237, Water Code, if, in the reasonable judgment of the board, the enforcement of the restriction is necessary.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.114. POWERS SUBJECT TO DEVELOPMENT AND OPERATING AGREEMENT. In addition to the other limitations provided by this chapter, the district's authority to exercise its powers is subject to the terms of the development and operating agreement required under Section 3926.156.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3926.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service, including water, wastewater, drainage, and roadway projects or services, using any money available to the district, or contract with a governmental or private entity and reimburse that entity for the provision, design, construction, acquisition, improvement, relocation, operation, maintenance, or financing of an improvement project, service, or cost, for the provision of credit enhancement, or for any cost of operating or maintaining the district or the issuance of district obligations authorized under this chapter, Chapter 372 or 375, Local Government Code, or Chapter 49 or 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project is necessary to accomplish a public purpose of the district.
Sec. 3926.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be located or provide service inside or outside the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.154. CITY REQUIREMENTS. An improvement project in the district must comply with any applicable requirements of the city, including codes and ordinances, unless specifically waived or superseded by the development and operating agreement entered into under Section 3926.156 or another agreement with the city.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.155. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA; BENEFIT BASIS. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code; or
(2) Chapter 375, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.156. DEVELOPMENT AND OPERATING AGREEMENT REQUIRED.
(a) After the district's board is organized, but before the district may undertake any improvement project, issue bonds, levy assessments or fees, or borrow money, the district, the city, and the owner of a majority of the assessed value of real property in the district according to the most recent certified tax rolls of the central appraisal district of the county must negotiate and execute a
mutually approved and accepted development and operating agreement, including any limitations imposed by the city.

(b) An agreement authorized by this section is not effective until its terms and execution are approved by the board, the governing body of the city by ordinance or resolution, and the owner described by Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3926.201. DIVISION OF DISTRICT; PREREQUISITES. (a) Subject to Subsection (b), the district, including territory added to the district under Section 3926.110, may be divided into two or more new districts only if the district has no outstanding bonded debt. Territory previously added to the district under Section 3926.110 may be included in a new district.

(b) If the board adds territory inside the extraterritorial jurisdiction of the city or any other municipality to the district under Section 3926.110, the district may be divided under Subsection (a) only with the consent by ordinance or resolution of the city and any other municipality whose extraterritorial jurisdiction is included in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.202. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.203. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by an owner of real property in the district, may adopt an order proposing to divide the district.
(b) If the board decides to divide the district, the board shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations;
(2) prepare a metes and bounds description for each proposed district; and
(3) appoint initial directors for each new district.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.204. NOTICE AND RECORDING OF ORDER. Not later than the 30th day after the date of an order dividing the district, the district shall:

(1) file the order with the commission; and
(2) record the order in the real property records of the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.205. CONTRACT AUTHORITY OF NEW DISTRICTS. (a) Except as provided by Subsection (b), the new districts may contract with each other for any matter the boards of the new districts consider appropriate, including the joint construction or financing of a utility or roadway improvement and the joint financing of a maintenance obligation.

(b) The new districts may not contract with each other for water and wastewater services. This subsection does not affect the right to contract described by Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.
the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.252. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.253. BORROWING MONEY; OBLIGATIONS. (a) Subject to the terms of the development and operating agreement required under Section 3926.156, the district may borrow money for a district purpose, including the acquisition or construction of improvement projects authorized by this chapter and the reimbursement of a person who develops or owns an improvement project authorized by this chapter, by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract or other agreement payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):

(1) may bear interest at a rate determined by the board; and

(2) may include a term or condition as determined by the board.

(c) The board may issue an obligation under this section without an election.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.254. ASSESSMENTS. (a) Except as provided by Subsection (b), the district may impose an assessment on property in the district to pay for an obligation described by Section 3926.253
or an improvement project authorized by Section 3926.151 in the manner provided for:

(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or

(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

(b) The district may not impose an assessment on a municipality, county, or other political subdivision.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.255. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.256. NO IMPACT FEES. The district may not impose an impact fee.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

Sec. 3926.257. COLLECTION OF ASSESSMENTS. The district may contract as provided by Chapter 791, Government Code, with the commissioners court of the county for the assessment and collection of assessments imposed under this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

SUBCHAPTER F. DISSOLUTION

Sec. 3926.301. DISSOLUTION BY BOARD. The board may dissolve the district in the manner provided by Section 375.261, Local Government Code, subject to Section 375.264, Local Government Code.
Sec. 3926.302. DISSOLUTION BY CITY. (a) The city may dissolve the district by ordinance.

(b) The city may not dissolve the district until:

1) the district's outstanding debt or contractual obligations have been repaid or discharged; or

2) the city agrees to succeed to the rights and obligations of the district, including an obligation described by Section 3926.304.

Sec. 3926.303. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

1) the bonds or other obligations when due and payable according to their terms; or

2) revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations of the district.

Sec. 3926.304. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any contractual obligations or bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall
transfer ownership of all district property to the city.

Added by Acts 2015, 84th Leg., R.S., Ch. 977 (H.B. 3603), Sec. 1, eff. September 1, 2015.

CHAPTER 3927.  FORT BEND COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 3927.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston.
(3) "County" means Fort Bend County.
(4) "Director" means a board member.
(5) "District" means the Fort Bend County Municipal Management District No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.002. NATURE OF DISTRICT. The Fort Bend County Municipal Management District No. 1 is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act.

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enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.
(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for
the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3927.051. GOVERNING BODY; TERMS. The district is governed by a board of five elected directors who serve staggered terms of four years, with two or three directors' terms expiring each even-numbered year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.052. ELECTION DATE. The board shall hold an election for directors on the uniform election date in May in even-numbered years.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.053. ELIGIBILITY. To be qualified to serve as a director, a person must meet the qualifications prescribed by Section 375.063, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.
Sec. 3927.055. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $150 for each board meeting. The total amount of compensation for each director in one year may not exceed $7,200.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 629 (H.B. 4292), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3927.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.102. MUNICIPAL MANAGEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapter 375, Local Government Code, applicable to municipal management districts created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.103. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.104. UTILITY AND RECREATIONAL FACILITIES AND SERVICES AND ROADS PROHIBITED WITHOUT AGREEMENT. The district may not provide water, wastewater, or recreational facilities or services or roads to any land within both the district and a municipal utility district unless the district and the municipal utility district enter into a written agreement specifying the facilities and services to be provided by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.106. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.
Sec. 3927.107. LIMITED EMINENT DOMAIN. The district may exercise the power of eminent domain only for the purposes, only to the extent, and subject to the limitations the general law provides for a municipal utility district under Chapter 49, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3927.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.
Sec. 3927.154. METHOD OF NOTICE OF HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of mailing notice.

Sec. 3927.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.
Sec. 3927.156. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3927.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3927.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3927.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for operation and maintenance purposes, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 3927.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.
Sec. 3927.206. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.207. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

(d) Chapter 321, Tax Code, applies to the imposition, computation, administration, enforcement, and collection of the sales and use tax imposed by this section except to the extent it is inconsistent with this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 629 (H.B. 4292), Sec. 2, eff. September 1, 2017.

CHAPTER 3928. KENDLETON IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3928.001. DEFINITIONS. In this chapter:
Sec. 3928.002. NATURE OF DISTRICT. The Kendleton Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3928.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.
Sec. 3928.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, rail, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.
Sec. 3928.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Sec. 3928.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.
Sec. 3928.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3928.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors
from persons recommended by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

1. a board position vacant for any reason, including death, resignation, or disqualification;
2. a director who is abstaining from participation in a vote because of a conflict of interest; or
3. a nonvoting director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3928.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.103. RAIL FACILITIES. The district may construct, acquire, improve, maintain, and operate rail facilities and improvements in aid of those facilities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.104. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government
Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.105. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.106. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1,
Sec. 3928.107. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.109. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1,
Sec. 3928.110. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Sec. 3928.111. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement under Section 43.0751, Local Government Code, with a municipality in whose extraterritorial jurisdiction the district is located.

Sec. 3928.112. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.
(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.113. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3928.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.
Sec. 3928.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.156. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax authorized or approved by the voters of the district or a required payment for a service provided by the district, including water and sewer services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.157. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.158. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of district

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taxes or assessments on property in the zones.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3928.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3928.203.
(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) Section 375.243, Local Government Code, does not apply to the district.
(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3928.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.
(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1,
Sec. 3928.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.206. TAXES AND BONDS FOR RECREATIONAL FACILITIES. The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER F. DEFINED AREAS**

Sec. 3928.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

Sec. 3928.252. PROCEDURE FOR ELECTION. (a) Before the
district may impose an ad valorem tax or issue bonds payable from ad
valorem taxes of the defined area or designated property, the board
shall hold an election in the defined area or in the designated
property only.

(b) The board may submit the issues to the voters on the same
ballot to be used in another election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1,
eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1,
eff. June 14, 2013.

Sec. 3928.253. DECLARING RESULT AND ISSUING ORDER. (a) If a
majority of the voters voting at the election approve the proposition
or propositions, the board shall declare the results and, by order,
shall establish the defined area and describe it by metes and bounds
or designate the specific property.

(b) A court may not review the board's order except on the
ground of fraud, palpable error, or arbitrary and confiscatory abuse
of discretion.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1,
eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1,
eff. June 14, 2013.

Sec. 3928.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES
IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and
adoption of the order described by Section 3928.253, the district may
apply separately, differently, equitably, and specifically its taxing
power and lien authority to the defined area or designated property
to provide money to construct, administer, maintain, and operate
services, improvements, and facilities that primarily benefit the
defined area or designated property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1,
eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1,
eff. June 14, 2013.
Sec. 3928.255. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3928.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

SUBCHAPTER G. DISSOLUTION AND MUNICIPAL ANNEXATION

Sec. 3928.301. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The district is a "water or sewer district" under Section 43.071, Local Government Code.
(b) Section 43.075, Local Government Code, applies to the district.
(c) Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1376 (S.B. 1921), Sec. 1, eff. June 14, 2013.

For contingent expiration of this chapter, see Section 3929.008.

CHAPTER 3929. JOSHUA FARMS MUNICIPAL MANAGEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3929.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Burleson, Texas.
(3) "Commission" means the Texas Commission on Environmental Quality.
(4) "County" means Johnson County, Texas.
(5) "Director" means a board member.
(6) "District" means the Joshua Farms Municipal Management
Sec. 3929.002.  CREATION AND NATURE OF DISTRICT.  The Joshua Farms Municipal Management District No. 2 is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.003.  PURPOSE; LEGISLATIVE FINDINGS.  (a)  The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.  By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b)  The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.004.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a)  The district is created to serve a public use and benefit.

(b)  All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III,
and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
organization, existence, or validity;
right to contract;
authority to borrow money or issue bonds or other obligations described by Section 3929.253 or to pay the principal and interest of the bonds or other obligations;
right to impose or collect an assessment or collect other revenue; or
legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:
(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.
(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:
(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and
(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3929.253.
(c) If the city creates a tax increment reinvestment zone described by Subsection (a), the city may determine the percentage of the property in the zone that may be used for residential purposes and is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.
Sec. 3929.007. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. On receipt of a petition signed by the owners of a majority of the acreage and the assessed value of real property in the district according to the most recent certified tax appraisal roll for the county, the initial directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.008. DEVELOPMENT AND OPERATING AGREEMENT EXECUTION REQUIRED. (a) The initial directors may not hold an election under Section 3929.007 until the city has entered into a development and operating agreement under Section 3929.156.

(b) The district is dissolved and this chapter expires March 1, 2018, if the development and operating agreement is not entered into before that date.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.009. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. (a) Except as provided by this chapter, Chapter 375, Local Government Code, including Subchapters E and F, applies to the district.

(b) The following provisions of Chapter 375, Local Government Code, do not apply to the district:

1. Sections 375.164 and 375.262; and
2. Subchapters B and O.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.010. CONSTRUCTION OF CHAPTER. This chapter shall be construed in conformity with the findings and purposes stated in this chapter.
Sec. 3929.011. CONCURRENCE ON ADDITIONAL POWERS. If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city consents to that change by ordinance or resolution.

Sec. 3929.012. CITY CONSENT TO CREATION OF DISTRICT. The city's consent to the creation of the district is not subject to the limitations on the conditions or other restrictions the city may place on its consent under Section 42.042, Local Government Code.

Sec. 3929.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Except as provided by Section 3929.054, directors serve staggered four-year terms, with two or three directors' terms expiring June 1 of each odd-numbered year.

Sec. 3929.052. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.
Sec. 3929.053. REMOVAL OF DIRECTORS. (a) The board may remove a director by unanimous vote of the other directors if the director has missed at least half of the meetings scheduled during the preceding 12 months.

(b) A director removed under this section may file a written appeal with the commission not later than the 30th day after the date the director receives written notice of the board action. The commission may reinstate the director if the commission finds that the removal was unwarranted under the circumstances after considering the reasons for the absences, the time and place of the meetings, the business conducted at the meetings missed, and any other relevant circumstances.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.054. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>David Rex</td>
</tr>
<tr>
<td>2</td>
<td>Barb Levis</td>
</tr>
<tr>
<td>3</td>
<td>John Tatum</td>
</tr>
<tr>
<td>4</td>
<td>Charles Collie</td>
</tr>
<tr>
<td>5</td>
<td>Stephanie Fine</td>
</tr>
</tbody>
</table>

(b) Initial directors serve until the earlier of:

1. the date permanent directors are elected under Section 3929.007; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 3929.007 and the terms of the initial directors have expired, successor initial directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 3929.007; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district according to the most recent certified tax appraisal rolls for the county may submit a petition to the commission requesting that the commission appoint as successor initial directors the five persons named in the petition. The commission shall appoint as successor initial directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3929.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and
convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.106. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.107. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.
Sec. 3929.108. AD VALOREM TAXATION. The district may not impose an ad valorem tax.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.109. LIMITATIONS ON EMERGENCY SERVICES POWERS. The district may not establish, operate, maintain, or finance a police or fire department without the consent of the city by ordinance or resolution.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.110. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory inside the extraterritorial jurisdiction of the city to the district or remove territory inside the extraterritorial jurisdiction of the city from the district, except that:

(1) the addition or removal of the territory must be approved by the city;
(2) the addition or removal may not occur without petition by the owners of the territory being added or removed; and
(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from assessments assessed on the territory are outstanding.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.111. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.
Sec. 3929.112. EMINENT DOMAIN. (a) Section 375.094, Local Government Code, does not apply to the district.

(b) Except as provided by Subsection (c), and subject to the consent of the city by ordinance or resolution, the district may exercise the right of eminent domain in the manner provided by Section 49.222, Water Code. The city may not unreasonably withhold consent under this section.

(c) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 3929.104; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.113. ENFORCEMENT OF REAL PROPERTY RESTRICTIONS. The district may enforce a real property restriction in the manner provided by Section 54.237, Water Code, if, in the reasonable judgment of the board, the enforcement of the restriction is necessary.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.114. POWERS SUBJECT TO DEVELOPMENT AND OPERATING AGREEMENT. In addition to the other limitations provided by this chapter, the district's authority to exercise its powers is subject to the terms of the development and operating agreement required under Section 3929.156.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3929.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service, including
water, wastewater, drainage, and roadway projects or services, using any money available to the district, or contract with a governmental or private entity and reimburse that entity for the provision, design, construction, acquisition, improvement, relocation, operation, maintenance, or financing of an improvement project, service, or cost, for the provision of credit enhancement, or for any cost of operating or maintaining the district or the issuance of district obligations authorized under this chapter, Chapter 372 or 375, Local Government Code, or Chapter 49 or 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project is necessary to accomplish a public purpose of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be located or provide service inside or outside the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.154. CITY REQUIREMENTS. An improvement project in the district must comply with any applicable requirements of the city, including codes and ordinances, unless specifically waived or superseded by the development and operating agreement entered into under Section 3929.156 or another agreement with the city.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.155. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE
AREA; BENEFIT BASIS. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code; or
(2) Chapter 375, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.156. DEVELOPMENT AND OPERATING AGREEMENT REQUIRED. (a) After the district's board is organized, but before the district may undertake any improvement project, issue bonds, levy assessments or fees, or borrow money, the district, the city, and the owner of a majority of the assessed value of real property in the district according to the most recent certified tax rolls of the central appraisal district of the county must negotiate and execute a mutually approved and accepted development and operating agreement, including any limitations imposed by the city.

(b) An agreement authorized by this section is not effective until its terms and execution are approved by the board, the governing body of the city by ordinance or resolution, and the owner described by Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3929.201. DIVISION OF DISTRICT; PREREQUISITES. (a) Subject to Subsection (b), the district, including territory added to the district under Section 3929.110, may be divided into two or more new districts only if the district has no outstanding bonded debt. Territory previously added to the district under Section 3929.110 may be included in a new district.

(b) If the board adds territory inside the extraterritorial jurisdiction of the city or any other municipality to the district under Section 3929.110, the district may be divided under Subsection (a) only with the consent by ordinance or resolution of the city and any other municipality whose extraterritorial jurisdiction is
Sec. 3929.202. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.203. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by an owner of real property in the district, may adopt an order proposing to divide the district.

(b) If the board decides to divide the district, the board shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations;
(2) prepare a metes and bounds description for each proposed district; and
(3) appoint initial directors for each new district.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.204. NOTICE AND RECORDING OF ORDER. Not later than the 30th day after the date of an order dividing the district, the district shall:

(1) file the order with the commission; and
(2) record the order in the real property records of the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.
Sec. 3929.205. CONTRACT AUTHORITY OF NEW DISTRICTS. (a) Except as provided by Subsection (b), the new districts may contract with each other for any matter the boards of the new districts consider appropriate, including the joint construction or financing of a utility or roadway improvement and the joint financing of a maintenance obligation.

(b) The new districts may not contract with each other for water and wastewater services. This subsection does not affect the right to contract described by Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3929.251. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.252. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.253. BORROWING MONEY; OBLIGATIONS. (a) Subject to the terms of the development and operating agreement required under Section 3929.156, the district may borrow money for a district purpose, including the acquisition or construction of improvement projects authorized by this chapter and the reimbursement of a person who develops or owns an improvement project authorized by this chapter, by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract or other agreement payable wholly or partly from an assessment, a contract payment, a
grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):
(1) may bear interest at a rate determined by the board; and
(2) may include a term or condition as determined by the board.

(c) The board may issue an obligation under this section without an election.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.254. ASSESSMENTS. (a) Except as provided by Subsection (b), the district may impose an assessment on property in the district to pay for an obligation described by Section 3929.253 or an improvement project authorized by Section 3929.151 in the manner provided for:
(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or
(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

(b) The district may not impose an assessment on a municipality, county, or other political subdivision.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.255. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.256. NO IMPACT FEES. The district may not impose an impact fee.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff.
Sec. 3929.257. COLLECTION OF ASSESSMENTS. The district may contract as provided by Chapter 791, Government Code, with the commissioners court of the county for the assessment and collection of assessments imposed under this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

SUBCHAPTER F. DISSOLUTION

Sec. 3929.301. DISSOLUTION BY BOARD. The board may dissolve the district in the manner provided by Section 375.261, Local Government Code, subject to Section 375.264, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.302. DISSOLUTION BY CITY. (a) The city may dissolve the district by ordinance.

(b) The city may not dissolve the district until:

(1) the district's outstanding debt or contractual obligations have been repaid or discharged; or

(2) the city agrees to succeed to the rights and obligations of the district, including an obligation described by Section 3929.304.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.303. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to
enforce and collect the assessments or other revenue to pay:
   (1) the bonds or other obligations when due and payable
       according to their terms; or
   (2) revenue or assessment bonds or other obligations issued
       by the city to refund the outstanding bonds or obligations of the
       district.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

Sec. 3929.304. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the
obligations of the district, including any contractual obligations or
bonds or other debt payable from assessments or other district
revenue.
   (b) If the city dissolves the district, the board shall
transfer ownership of all district property to the city.

Added by Acts 2015, 84th Leg., R.S., Ch. 978 (H.B. 3605), Sec. 1, eff. September 1, 2015.

CHAPTER 3930. BARRETT MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3930.001. DEFINITIONS. In this chapter:
   (1) "Board" means the district's board of directors.
   (2) "City" means the City of Houston, Texas.
   (3) "County" means Harris County, Texas.
   (4) "Director" means a board member.
   (5) "District" means the Barrett Management District.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.002. CREATION AND NATURE OF DISTRICT. The district
is a special district created under Section 59, Article XVI, Texas
Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff.
Sec. 3930.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution. 

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city and county services provided in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.
(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.
(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4752, 86th Legislature, Regular Session, for amendments affecting the following section.
Sec. 3930.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under Section 3930.107 or other law.
(b) The boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect the district's:
(1) organization, existence, or validity; or
(2) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.
Sec. 3930.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code; or

(3) an enterprise zone created by the city under Chapter 2303, Government Code.

(b) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3930.051. GOVERNING BODY; TERMS. The district is governed by a board of nine directors who serve staggered terms of three years, with three directors' terms expiring June 1 of each year.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff.
Sec. 3930.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the city shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members and the mayor vote to appoint that person. (b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors being residents of the city.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:
   (1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the city;
   (2) the chief of police of the city;
   (3) the county's general manager of the Metropolitan Transit Authority of Harris County, Texas; and
   (4) the president of each institution of higher learning located in the district.
   (b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department of the city that performs duties comparable to those performed by the abolished department.
   (c) The board may appoint the presiding officer of a nonprofit corporation that is actively involved in activities in the district to serve as a nonvoting ex officio director.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.054. CONFLICTS OF INTEREST. (a) Except as provided by this section:
(1) a director may participate in all board votes and decisions; and
(2) Chapter 171, Local Government Code, governs conflicts of interest of board members.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:
   (1) a majority of the directors have a similar interest in the same entity; or
   (2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.055. COMPENSATION. The district shall compensate a director as provided by Section 49.060, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

For expiration of this section, see Subsection (d).

Sec. 3930.056. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Judy Armstrong</td>
</tr>
<tr>
<td>2</td>
<td>Fred Barrett</td>
</tr>
</tbody>
</table>
Of the initial directors, the terms of directors serving in positions 1, 2, and 3 expire June 1, 2017, the terms of directors serving in positions 4, 5, and 6 expire June 1, 2018, and the terms of directors serving in positions 7, 8, and 9 expire June 1, 2019.

(c) Section 3930.052 does not apply to the initial directors.
(d) This section expires September 1, 2019.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.
assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.104. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.105. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with the county or the city to provide law enforcement services in the district for a fee.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.106. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less.
Sec. 3930.107. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the city under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.108. ECONOMIC DEVELOPMENT PROGRAM. (a) The district may establish and provide for the administration of one or more programs to promote economic development and to stimulate business and commercial activity in the district, including programs to secure loans and receive grants of public money.

(b) The district may:

(1) contract with the federal government, this state, a political subdivision, a nonprofit organization, or any other person for the administration of the program; and

(2) accept contributions, gifts, or other resources to develop and administer the program.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.109. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with the city, the county, or the Crosby Independent School District.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

Sec. 3930.110. REAL PROPERTY. (a) The district may buy, sell, own, or lease real property.
(b) The district may receive real property as a gift.

Sec. 3930.111. RECEIPT OF SURPLUS PROPERTY. The district may receive surplus property from a school district that is located in the district.

Sec. 3930.112. PROJECT FOR EDUCATIONAL OPPORTUNITY. The district may own, lease, operate, or manage a project to improve educational opportunities in the district.

Sec. 3930.113. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 3930.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:
   (1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for the county; or
   (2) at least 25 owners of land in the district, if more than 25 persons own property in the district according to the most recent certified tax appraisal roll for the county.
Sec. 3930.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 3930.153. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

Sec. 3930.154. ASSESSMENTS NOT AUTHORIZED. (a) The district may not impose an assessment.
   (b) Subchapter F, Chapter 375, Local Government Code, does not apply to the district.

Sec. 3930.155. NO IMPACT FEES. The district may not impose an impact fee.

Sec. 3930.156. NO AUTHORITY TO ISSUE BONDS. The district may not issue a bond to pay for any district purpose.
Sec. 3930.157. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay an obligation of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

SUBCHAPTER E. DISSOLUTION

Sec. 3930.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 980 (H.B. 3888), Sec. 1, eff. June 19, 2015.

CHAPTER 3931. MISSOURI CITY MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3931.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Missouri City.
(3) "County" means Fort Bend County.
(4) "Director" means a board member.
(5) "District" means the Missouri City Management District No. 1.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.002. NATURE OF DISTRICT. The Missouri City Management District No. 1 is a special district created under Section
Sec. 3931.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.
Sec. 3931.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;

(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) an industrial district created under Chapter 42, Local Government Code.

Sec. 3931.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3931.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3931.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven voting directors who serve staggered terms of four years, with three or four directors' terms expiring June 1 of each odd-numbered year.
(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 11 voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.052. APPOINTMENT OF VOTING DIRECTORS. The mayor and members of the governing body of the city shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

1. a board position vacant for any reason, including death, resignation, or disqualification;
2. a director who is abstaining from participation in a vote because of a conflict of interest; or
3. a nonvoting director.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by
Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Scott Frasier</td>
</tr>
<tr>
<td>2</td>
<td>Todd Burrer</td>
</tr>
<tr>
<td>3</td>
<td>Anthony C. Francis</td>
</tr>
<tr>
<td>4</td>
<td>Jaime Virkus</td>
</tr>
<tr>
<td>5</td>
<td>Loveless Mitchel</td>
</tr>
<tr>
<td>6</td>
<td>Wilfred Green</td>
</tr>
<tr>
<td>7</td>
<td>Curtis Williams</td>
</tr>
</tbody>
</table>

(b) Of the initial directors, the terms of directors appointed for positions one through four expire June 1, 2019, and the terms of directors appointed for positions five through seven expire June 1, 2017.

(c) Section 3931.052 does not apply to this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3931.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any
money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.
Sec. 3931.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift or grant from any person. The district shall promptly notify the city of any gift or grant accepted by the district.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.108. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or
road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.109. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.110. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

(1) the issuance of bonds;
(2) the plans and specifications of an improvement project financed by bonds; and
(3) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted to or by the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds.

(c) If the district obtains the approval of the city's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

(d) The governing body of the city:

(1) is not required to adopt a resolution or ordinance to approve plans and specifications described by Subsection (a); and
(2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the involvement of the governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.
Sec. 3931.111. CONSENT OF CITY REQUIRED. The district may not take any of the following actions until the city has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district:

(1) hold an election under Subchapter L, Chapter 375, Local Government Code;
(2) impose an ad valorem tax;
(3) impose an assessment;
(4) issue bonds; or
(5) enter into an agreement to reimburse the costs of facilities.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3931.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff.
Sec. 3931.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of
any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER E. TAXES AND BONDS**

Sec. 3931.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

1. revenue other than ad valorem taxes; or
2. contract payments described by Section 3931.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3931.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

1. maintain and operate the district;
2. construct or acquire improvements; or
3. provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.
Sec. 3931.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each
year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

Sec. 3931.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 878 (H.B. 4147), Sec. 1, eff. June 18, 2015.

CHAPTER 3932. MISSOURI CITY MANAGEMENT DISTRICT NO. 2
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3932.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Missouri City.
(3) "County" means Fort Bend County.
(4) "Director" means a board member.
(5) "District" means the Missouri City Management District No. 2.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.002. NATURE OF DISTRICT. The Missouri City Management District No. 2 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas
Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

1. developing and diversifying the economy of the state;
2. eliminating unemployment and underemployment; and
3. developing or expanding transportation and commerce.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter
311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3932.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven voting directors who serve staggered terms of four years, with three or four directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 11 voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.
Sec. 3932.052. APPOINTMENT OF VOTING DIRECTORS. The mayor and members of the governing body of the city shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

1. a board position vacant for any reason, including death, resignation, or disqualification;
2. a director who is abstaining from participation in a vote because of a conflict of interest; or
3. a nonvoting director.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

<table>
<thead>
<tr>
<th>Pos.</th>
<th>Name of Director</th>
</tr>
</thead>
</table>

Statute text rendered on: 6/18/2019
Of the initial directors, the terms of directors appointed for positions one through four expire June 1, 2019, and the terms of directors appointed for positions five through seven expire June 1, 2017.

Section 3932.052 does not apply to this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3932.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.103. DEVELOPMENT CORPORATION POWERS. The district,
using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift or grant from any person. The district shall promptly notify the city of any gift or grant accepted by the district.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.
Sec. 3932.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.108. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.109. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff.
June 19, 2015.

Sec. 3932.110. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

(1) the issuance of bonds;
(2) the plans and specifications of an improvement project financed by bonds; and
(3) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted to or by the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds.

(c) If the district obtains the approval of the city's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

(d) The governing body of the city:

(1) is not required to adopt a resolution or ordinance to approve plans and specifications described by Subsection (a); and
(2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the involvement of the governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.111. CONSENT OF CITY REQUIRED. The district may not take any of the following actions until the city has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district:

(1) hold an election under Subchapter L, Chapter 375, Local Government Code;
(2) impose an ad valorem tax;
(3) impose an assessment;
(4) issue bonds; or
(5) enter into an agreement to reimburse the costs of facilities.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3932.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified
tax appraisal roll for the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3932.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
contract payments described by Section 3932.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3932.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 983 (H.B. 4156), Sec. 1, eff. June 19, 2015.

Sec. 3932.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.
CHAPTER 3933. VINEYARD MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3933.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "County" means Williamson County, Texas.
(4) "Director" means a board member.
(5) "District" means the Vineyard Municipal Management District No. 1.

Sec. 3933.002. CREATION AND NATURE OF DISTRICT. The Vineyard Municipal Management District No. 1 is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 3933.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. On receipt of a petition signed by the owners of a majority of the acreage and the assessed value of real property in the district according to the most recent certified tax appraisal roll for the county, the initial directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 3933.004. PURPOSE; LEGISLATIVE FINDINGS. (a) The
creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare and for other similar purposes in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the county from providing the level of services provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the county services provided in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(e) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community, residential, tourism, recreational, business, and commerce center; and
(3) promote the health, safety, welfare, education, convenience, and enjoyment of the public by:
   (A) improving, landscaping, and developing certain areas in or adjacent to the district; and
   (B) providing public services and facilities in or adjacent to the district that are necessary for the restoration, preservation, and enhancement of scenic beauty.
(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.
(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to contract;
(3) authority to borrow money or issue bonds or other obligations or to pay the principal and interest of the bonds or other obligations;
(4) right to impose or collect an assessment, fee, or tax
Sec. 3933.007. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

(b) If the county or a municipality in the county creates a tax increment reinvestment zone described by Subsection (a), the county or municipality and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:

(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and
(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district.

(c) If the county or a municipality in the county creates a tax increment reinvestment zone described by Subsection (a), the county or municipality may determine the percentage of the property in the zone that may be used for residential purposes and is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.
Sec. 3933.009. CONSTRUCTION OF CHAPTER. This chapter shall be
liberally construed in conformity with the findings and purposes
stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1,
eff. September 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3933.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five elected directors.

(b) Except as provided by Section 3933.052, directors serve
staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1,
eff. September 1, 2015.

Sec. 3933.052. TEMPORARY DIRECTORS. (a) The temporary board
consists of:

(1) Cynthia Mitchell;
(2) Lindsey Tootle;
(3) Kathy Parker;
(4) Spencer Bryson; and
(5) Stephen Wohr.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section
3933.003; or
(2) the fourth anniversary of the effective date of the Act
enacting this chapter.

(c) If permanent directors have not been elected under Section
3933.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier
of:

(1) the date permanent directors are elected under Section
3933.003; or
(2) the fourth anniversary of the date of the appointment

eff. September 1, 2015.
or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3933.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.104. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and
road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapters 257 and 441, Transportation Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.106. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.107. COUNTY DEVELOPMENT DISTRICT POWERS. The district has the powers of a county development district provided by Chapter 383, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.
Sec. 3933.108. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.109. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
   (1) make loans and grants of public money; and
   (2) provide district personnel and services.

(c) The district may create economic development programs, make loans and grants for economic development purposes to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, safety, and the public welfare and for other similar purposes, and exercise the economic development powers that:
   (1) Chapter 380, Local Government Code, provides to a municipality; and
   (2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.110. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory to the district or remove territory from the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.
Sec. 3933.111. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3933.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service, including tourism and visitor facilities, using any money available to the district, or contract with a governmental or private entity and reimburse that entity for the provision, design, construction, acquisition, improvement, relocation, operation, maintenance, or financing of an improvement project, service, or cost, for the provision of credit enhancement, or for any cost of operating or maintaining the district or the issuance of district obligations authorized under this chapter, Chapter 372, 375, or 383, Local Government Code, or Chapter 49 or 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project is necessary to accomplish a public purpose of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.153. LOCATION OF IMPROVEMENT PROJECT. An improvement
project may be located or provide service inside or outside the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.154. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREAS. The district may undertake an improvement project or service that confers a special benefit on one or more definable areas in the district that share a common characteristic or use and levy and collect a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code; or
(2) Chapter 375, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3933.201. DIVISION OF DISTRICT; PREREQUISITE. The district, including territory added to the district under Section 3933.110, may be divided into two or more new districts only if the district has no outstanding bonded debt. Territory previously added under Section 3933.110 may be included in a new district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.202. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.203. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by an owner of real

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property in the district, may adopt an order proposing to divide the district.

(b) If the board decides to divide the district, the board shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations;

(2) prepare a metes and bounds description for each proposed district; and

(3) appoint initial directors for each new district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.204. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for any matter the boards of the new districts consider appropriate, including the joint construction or financing of a utility improvement, the joint financing of a maintenance obligation, and water and wastewater services.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3933.251. MONEY USED FOR IMPROVEMENTS, SERVICES, OR OTHER EXPENSES. (a) The district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

(b) The district may provide or secure the payment or repayment of any cost or expense related to the establishment, administration, and operation of the district and the district's costs or share of the costs of a district contractual obligation or debt through:

(1) a lease, installment purchase contract, or other agreement with any person; or

(2) the imposition of taxes, user fees, concessions, rentals, or other revenue or resources of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1,
Sec. 3933.252. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose, including the acquisition or construction of improvement projects authorized by this chapter and the reimbursement of a person who develops or owns an improvement project authorized by this chapter, without holding an election by issuing bonds, notes, time warrants, credit agreements, or other obligations, or by entering into a contract or other agreement payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, sales and use taxes, hotel occupancy taxes, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):

(1) may bear interest at a rate determined by the board; and

(2) may include a term or condition as determined by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.253. ASSESSMENTS. (a) Except as provided by Subsection (b), the district may impose an assessment on property in the district, regardless of whether the property is contiguous, to pay for an obligation described by Section 3933.252 or for an improvement project authorized under Section 3933.151 in the manner provided for:

(1) a district under Subchapter A, E, or F, Chapter 375, Local Government Code; or

(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

(b) The district may:

(1) adopt procedures for the collection of assessments under this chapter that are consistent with the procedures for the collection of a hotel occupancy tax under Chapter 351, Tax Code; and

(2) pursue remedies for the failure to pay an assessment under this chapter that are available for failure to pay a hotel
occupancy tax under Chapter 351, Tax Code.

(c) The district may not impose an assessment on a municipality, county, or other political subdivision.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.254. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.255. IMPACT FEES; EXEMPTION. (a) The district may impose an impact fee on property in the district, including an impact fee on residential property, according to the benefit received by the property.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:

(1) public water and wastewater facilities;
(2) drainage and storm water facilities; and
(3) streets and alleys.

(c) The district may not impose an impact fee on the property, including equipment and facilities, of a public utility provider or a cable operator as defined by 47 U.S.C. Section 522.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.256. RATES, FEES, AND CHARGES. The district may establish, revise, repeal, enforce, and collect rates, fees, and charges for the enjoyment, sale, rental, or other use of:

(1) an improvement project;
(2) a product resulting from an improvement project; or
(3) another district facility, service, or property.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.
Sec. 3933.257. PUBLIC SERVICE USER CHARGES. The district may establish user charges related to various public services, including:

(1) the collection and treatment of wastewater;
(2) the operation of storm water facilities, including the regulation of storm water for the protection of water quality in the district; or
(3) the provision of septic tank maintenance services inside and outside the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.258. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons all or part of the cost of an improvement project, including an improvement project:

(1) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in or adjacent to the district;
(2) for improving, enhancing, providing, or supporting tourism, recreation, housing, the arts, entertainment, or economic development; or
(3) that confers a general benefit on the entire district or a special benefit on a definable part of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

SUBCHAPTER F. TAXES AND BONDS

Sec. 3933.301. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by assessments, contract payments, sales and use taxes, hotel occupancy taxes, or any other revenue from any source other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.302. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held under Section 3933.301, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Notwithstanding Subsection (a), Section 49.107(f), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.303. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.304. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad
valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and
(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
(A) pay the interest on the bonds or other obligations as the interest becomes due;
(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
(C) pay the expenses of imposing the taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.305. TAX ABATEMENT. The district may enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to a tax abatement agreement by a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

**SUBCHAPTER G. SALES AND USE TAX**

Sec. 3933.351. MEANINGS OF WORDS AND PHRASES. A word or phrase used in this subchapter that is defined by Chapters 151 and 321, Tax Code, has the meanings assigned by Chapters 151 and 321, Tax Code.

Added byActs 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.352. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) The provisions of Subchapters C, D, E, and F, Chapter 323, Tax Code, relating to county sales and use taxes apply to the application, collection, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 323, Tax Code, to a county referred to the district and references to a commissioners court referred to the board.
(b) Sections 323.401-323.404 and 323.505, Tax Code, do not apply to a tax imposed under this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.353. AUTHORIZATION; ELECTION. (a) The district shall adopt, reduce, or repeal the sales and use tax authorized by this subchapter at an election in which a majority of the voters of the district voting in the election approve the adoption, reduction, or repeal of the tax, as applicable.

(b) The board by order shall call an election to adopt, reduce, or repeal a sales and use tax. The election shall be held on the first authorized uniform election date that occurs after the time required by Section 3.005, Election Code.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Chapter 54, Water Code, for bond elections for municipal utility districts.

(d) The ballots shall be printed to provide for voting for or against the following appropriate proposition:

(1) "Adoption of a ___ percent district sales and use tax in the district";
(2) "Reduction of the district sales and use tax in the district from ___ percent to ___ percent"; or
(3) "Repeal of the district sales and use tax in the district."

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.354. EFFECTIVE DATE OF TAX. A tax imposed under this subchapter or the repeal or reduction of a tax under this subchapter takes effect on the first day of the first calendar quarter that occurs after the date the comptroller receives the copy of the resolution as required by Section 323.405(b), Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.
Sec. 3933.355. SALES AND USE TAX RATE. (a) On adoption of the
tax authorized by this subchapter, there is imposed a tax of two
percent, or the maximum rate at which the combined tax rate of all
local sales and use taxes in any location in the district does not
exceed two percent, on the receipts from the sale at retail of
taxable items in the district, and an excise tax on the use, storage,
or other consumption in the district of taxable items purchased,
leased, or rented from a retailer in the district during the period
that the tax is in effect.

(b) The rate of the excise tax is the same as the rate of the
sales tax portion of the tax and is applied to the sales price of the
taxable item.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1,
eff. September 1, 2015.

Sec. 3933.356. EXAMINATION AND RECEIPT OF INFORMATION. The
district may examine and receive information related to the
imposition of a sales and use tax to the same extent as if the
district were a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1,
eff. September 1, 2015.

Sec. 3933.357. ALTERNATIVE METHOD OF IMPOSITION.
Notwithstanding any other provision of this subchapter, the district
may impose the sales and use tax as provided by Subchapter F, Chapter
383, Local Government Code, instead of as provided by the other
provisions of this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1,
eff. September 1, 2015.

SUBCHAPTER H. HOTEL OCCUPANCY TAX

Sec. 3933.401. DEFINITION. In this subchapter, "hotel" has the
meaning assigned by Section 156.001, Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1,
Sec. 3933.402. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.  (a) In this subchapter:
  (1) a reference in Chapter 352, Tax Code, to a county is a reference to the district; and
  (2) a reference in Chapter 352, Tax Code, to the commissioners court is a reference to the board.
(b) Except as inconsistent with this subchapter, Subchapter A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized by this subchapter, including the collection of the tax, subject to the limitations prescribed by Sections 352.002(b) and (c), Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.403. TAX AUTHORIZED; TAX RATE.  (a) The district may impose a hotel occupancy tax for the purposes described by Section 3933.405.
  (b) The amount of the tax may not exceed seven percent of the price paid for a room in a hotel.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.404. INFORMATION. The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.405. USE OF HOTEL OCCUPANCY TAX.  (a) The district may use the proceeds from a hotel occupancy tax imposed under this subchapter for any of the district's purposes and for the purposes described by Section 352.1015, Tax Code, to the extent the board considers appropriate.
(b) During each interval of three calendar years following the date on which a hotel occupancy tax imposed under this subchapter is initially collected, the board may not apply an annual average of more than 10 percent of the amount of tax collected under that section, excluding any interest earnings or investment profits and after a deduction for the costs of imposing and collecting the taxes, for the administrative expenses of the district or a district purpose other than:

(1) the costs of advertising and promoting tourism; or
(2) the costs of business development and commerce, including the costs of planning, designing, constructing, acquiring, leasing, financing, owning, operating, maintaining, managing, improving, repairing, rehabilitating, or reconstructing improvement projects for:

(A) conferences, conventions, meeting space, and exhibitions;
(B) manufacturer, consumer, or trade shows;
(C) hotels, lodging, and hospitality;
(D) arts and entertainment;
(E) parks and recreation;
(F) economic development; and
(G) civic, community, or institutional events.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

SUBCHAPTER I. DISSOLUTION OF DISTRICT

Sec. 3933.451. DISSOLUTION. (a) Except as provided by Subsection (b), the board:

(1) may dissolve the district; and
(2) shall dissolve the district on receipt of a written petition requesting dissolution signed by the owners of 75 percent of the acreage of real property in the district.

(b) The board may not dissolve the district until the district's outstanding indebtedness or contractual obligations have been repaid or discharged.

(c) After the board dissolves the district, the board shall transfer ownership of all district property and assets to the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1,
CHAPTER 3934. SIMONTON MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3934.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Simonton.
(3) "County" means Fort Bend County.
(4) "Director" means a board member.
(5) "District" means the Simonton Management District No. 1.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.002. NATURE OF DISTRICT. The Simonton Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act.
enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many
private interests as well as the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
3. right to impose or collect an assessment or tax; or
4. legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 3934.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than nine voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.052. APPOINTMENT OF VOTING DIRECTORS. The mayor and members of the governing body of the city shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

1. a board position vacant for any reason, including death, resignation, or disqualification;
2. a director who is abstaining from participation in a vote because of a conflict of interest; or
3. a nonvoting director.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.
Sec. 3934.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

<table>
<thead>
<tr>
<th>Pos.</th>
<th>Name of Director</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>CJ Aber</td>
</tr>
<tr>
<td>2</td>
<td>Debra Sabrsula</td>
</tr>
<tr>
<td>3</td>
<td>Jeff Cannon</td>
</tr>
<tr>
<td>4</td>
<td>Steve Littlefield</td>
</tr>
<tr>
<td>5</td>
<td>Mac McAleer</td>
</tr>
</tbody>
</table>

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2017, and the terms of directors appointed for positions four and five expire June 1, 2019.

(c) Section 3934.052 does not apply to this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3934.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate,
maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.
Sec. 3934.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by Chapter 380, Local Government Code.
Sec. 3934.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.111. APPROVAL BY CITY. Section 375.207, Local Government Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff.
June 18, 2015.

SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3934.151.  DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.152.  MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.153.  PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.154.  ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting
from an addition to or correction of the assessment roll by the
district, penalties and interest on an assessment or reassessment, an
expense of collection, and reasonable attorney's fees incurred by the
district:

1. are a first and prior lien against the property assessed;
2. are superior to any other lien or claim other than a
lien or claim for county, school district, or municipal ad valorem
taxes; and
3. are the personal liability of and a charge against the
owners of the property even if the owners are not named in the
assessment proceedings.

(c) The lien is effective from the date of the board's
resolution imposing the assessment until the date the assessment is
paid. The board may enforce the lien in the same manner that the
board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the
assessment roll that does not increase the amount of assessment of
any parcel of land without providing notice and holding a hearing in
the manner required for additional assessments.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff.
June 18, 2015.

Sec. 3934.155. TAX AND ASSESSMENT ABATEMENTS. The district may
designate reinvestment zones and may grant abatements of district
taxes or assessments on property in the zones.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff.
June 18, 2015.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3934.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The
district may issue, without an election, bonds, notes, and other
obligations secured by:

1. revenue other than ad valorem taxes; or
2. contract payments described by Section 3934.203.

(b) The district must hold an election in the manner provided
by Subchapter L, Chapter 375, Local Government Code, to obtain voter
approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3934.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.
Sec. 3934.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose. The district may pledge ad valorem taxes to bonds, notes, or other obligations only as authorized by the Texas Constitution.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 888 (H.B. 4192), Sec. 1, eff. June 18, 2015.

Sec. 3934.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.
CHAPTER 3935. KATY MANAGEMENT DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3935.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Katy.
(3) "County" means Harris County or Fort Bend County.
(4) "Director" means a board member.
(5) "District" means the Katy Management District No. 1.

Sec. 3935.002. NATURE OF DISTRICT; CONVERSION. The Katy Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution, as the Harris-Fort Bend Counties Municipal Utility District No. 4. The district is converted to a municipal management district known as the Katy Management District No. 1 under the same constitutional authority.

Sec. 3935.003. PURPOSE; DECLARATION OF INTENT. (a) The conversion and operation of the district are essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By converting the district to a municipal management district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.
(b) The conversion and operation of the district are necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare.
in the district.

(c) This chapter and the conversion or operation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is converted to a municipal management district to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The operation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street
landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.005. INITIAL DISTRICT TERRITORY. The district is initially composed of the territory of the former Harris-Fort Bend Counties Municipal Utility District No. 4 as that territory existed on March 1, 2015.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3935.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring May 1 of each even-numbered year.
(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 11 voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.052. APPOINTMENT OF VOTING DIRECTORS. (a) The mayor and members of the governing body of the city shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

(b) Section 375.063, Local Government Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

1. a board position vacant for any reason, including death, resignation, or disqualification;
2. a director who is abstaining from participation in a vote because of a conflict of interest; or
3. a nonvoting director.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.
Sec. 3935.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.056. INITIAL VOTING DIRECTORS ON CONVERSION TO MANAGEMENT DISTRICT. (a) On the conversion of the district to a management district, the initial board consists of the following directors:

<table>
<thead>
<tr>
<th>Pos.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Kenneth Berger</td>
</tr>
<tr>
<td>2.</td>
<td>Orville Wient</td>
</tr>
<tr>
<td>3.</td>
<td>Robert C. Hargarther</td>
</tr>
<tr>
<td>4.</td>
<td>Donald P. Cox</td>
</tr>
</tbody>
</table>

(b) Of the initial directors, the terms of directors appointed for positions one through three expire May 14, 2016, and the terms of directors appointed for positions four and five expire May 12, 2018.

(c) Sections 3935.051 and 3935.052 do not apply to the appointment or terms of directors appointed under Subsection (a). A director appointed to succeed a director appointed under Subsection (a) serves until May 1 of the appropriate year.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3935.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes described by this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.
Sec. 3935.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.103. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.104. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.105. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.106. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.107. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.
Sec. 3935.109. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and

(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.110. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.111. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.
Sec. 3935.112. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

(1) the issuance of bonds;
(2) the plans and specifications of an improvement project financed by bonds; and
(3) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds.

(c) If the district obtains the approval of the city's governing body of a capital improvements budget for a period not to exceed 10 years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

(d) The governing body of the city:
(1) is not required to adopt a resolution or ordinance to approve plans and specifications described by Subsection (a); and
(2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the involvement of the governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3935.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.
Sec. 3935.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's
resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.155. TAX AND ASSESSMENT ABATEMENT. The district may designate reinvestment zones and may grant abatements of district taxes or assessments on property in the zones.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

**SUBCHAPTER E. TAXES AND BONDS**

Sec. 3935.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3935.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election
held in accordance with Section 49.107, Water Code, the district may impose an operation and maintenance tax on taxable property in the district in accordance with that section for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.
(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

Sec. 3935.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 885 (H.B. 4180), Sec. 2, eff. June 18, 2015.

CHAPTER 3936. EAST LAKE HOUSTON MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3936.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Houston.
(3) "Director" means a board member.
(4) "District" means the East Lake Houston Management District.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.
Sec. 3936.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) The district is created to supplement and not to supplant city services provided in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) developing or expanding transportation and commerce;

and
(4) providing quality residential housing.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping, removing graffiti from, and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.005. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 3 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 3 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.
Sec. 3936.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(b), Tax Code.

Sec. 3936.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3936.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes
stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3936.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY CITY. To be qualified to serve as a director appointed by the governing body of the city, a person must be:

1. a resident of the district who is also a registered voter of the district;
2. an owner of property in the district;
3. an owner of stock or a partnership or membership interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the district;
4. an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the district;
5. an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4); or
6. an initial director.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors from persons recommended by the board.
Sec. 3936.054. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Sec. 3936.055. DIRECTOR’S OATH OR AFFIRMATION. (a) A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

(b) A director shall file a copy of the director's oath or affirmation with the secretary of the city.

Sec. 3936.056. QUORUM. A vacant director position is not counted for purposes of establishing a quorum.

Sec. 3936.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Sec. 3936.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation a director may
receive each year may not exceed $2,000.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

1. actions taken by the director in the director's capacity as a member of the board;
2. actions and activities taken by the district; or
3. the actions of others acting on behalf of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.060. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.061. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

For expiration of this section, see Subsection (e).

Sec. 3936.062. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
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</table>

For expiration of this section, see Subsection (e).
The terms of the initial directors expire June 1, 2019.

Of the directors who replace an initial director, the terms of directors serving in positions 1 through 3 expire June 1, 2021, and the terms of directors serving in positions 4 and 5 expire June 1, 2023.

Section 3936.052 does not apply to initial directors under this section.

This section expires September 1, 2023.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3936.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.103. LOCATION OF IMPROVEMENT PROJECT. An improvement project described by Section 3936.102 may be located:
in the district; or

(2) in an area outside but adjacent to the district if the project is for the purpose of extending a public infrastructure improvement beyond the district's boundaries to a logical terminus.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.104. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.105. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.106. AGREEMENTS; GRANTS. (a) As provided by Chapter
375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.107. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the city or a county, to provide law enforcement services in the district for a fee.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.109. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides
to a municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.110. CERTAIN MUNICIPAL UTILITY DISTRICT POWERS. The district does not have the powers granted to a municipal utility district by Subchapter D, Chapter 54, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.111. CONCURRENCE ON ADDITIONAL POWERS. If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city consents to that change by resolution.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3936.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.
Sec. 3936.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.153. GENERAL POWERS REGARDING PAYMENT OF DISTRICT BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by:

(1) the imposition of an ad valorem tax or sales and use tax or an assessment, user fee, concession fee, or rental charge; or

(2) any other revenue or resources of the district, or other revenue authorized by the city, including revenues from a tax increment reinvestment zone created by the city under applicable law.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.154. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.
Sec. 3936.155. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.157. STORM WATER USER CHARGES. The district may establish user charges related to the operation of storm water
facilities, including the regulation of storm water for the protection of water quality in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.158. NONPOTABLE WATER USER CHARGES. The district may establish user charges for the use of nonpotable water for irrigation purposes, subject to approval of the governing body of the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.159. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including the city or a county, all or part of the cost of an improvement project, including an improvement project:

(1) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in or adjacent to the district; or

(2) that confers a general benefit on the entire district or a special benefit on a definable part of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.160. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.161. POWERS OF MUNICIPAL UTILITY DISTRICT TO ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. The district has the powers of a municipal utility district under Subchapter J, Chapter 54, Water Code, including the power to:
(1) implement a plan;
(2) issue bonds; and
(3) impose a tax in a defined area established under that subchapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

**SUBCHAPTER E. TAXES AND BONDS**

Sec. 3936.201. TAX ABATEMENT. The district may enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to a tax abatement agreement by a municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.202. PROPERTY TAX AUTHORIZED. (a) The district may impose an ad valorem tax on all taxable property in the district to:

(1) pay for an improvement project of the types authorized by Section 52(b), Article III, and Section 59, Article XVI, Texas Constitution, and Chapter 54, Water Code; or

(2) secure the payment of bonds issued for a purpose described by Subdivision (1).

(b) The district may not impose an ad valorem tax to pay for an improvement project under this chapter unless the imposition is approved by the voters of the district voting at an election held for that purpose. The board may call an election to approve the imposition of an ad valorem tax to pay for an improvement project under this chapter only if the board receives a petition requesting the election signed by:

(1) more than 51 percent of the record owners of real property in the district subject to taxation; or

(2) owners representing more than 51 percent of the appraised value of real property in the district subject to taxation, as determined by the tax rolls of the appraisal district.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.
Sec. 3936.203. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.204. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, or assessments in the manner provided by Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any
Sec. 3936.205. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.206. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

SUBCHAPTER F. DISSOLUTION

Sec. 3936.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

(b) The city may not dissolve the district until the district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, or the city has affirmatively assumed the obligation to pay the outstanding debt from city revenue.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff.
June 12, 2017.

Sec. 3936.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

Sec. 3936.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 2, eff. June 12, 2017.

CHAPTER 3937. EAST WALLER COUNTY MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3937.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "County" means Waller County.
(3) "Director" means a board member.
(4) "District" means the East Waller County Management District.
Sec. 3937.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3937.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) The district is created to supplement and not to supplant county services provided in the district.

Sec. 3937.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:
(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) developing or expanding transportation and commerce;
and
(4) providing quality residential housing.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping, removing graffiti from, and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.005. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3937.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY COUNTY. To be qualified to serve as a director appointed by the governing body of the county, a person must be:

(1) a resident of the district who is also a registered voter of the district;
(2) an owner of property in the district;
(3) an owner of stock or a partnership or membership interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the district;

(4) an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the district;

(5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4);

(6) a resident of Waller County; or

(7) an initial director.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.053. APPOINTMENT OF DIRECTORS. The governing body of the county shall appoint directors from persons recommended by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.054. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

(b) A director shall file a copy of the director's oath or affirmation with the clerk of the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.
Sec. 3937.056. QUORUM. A vacant director position is not counted for purposes of establishing a quorum.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation a director may receive each year may not exceed $2,000.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;
(2) actions and activities taken by the district; or
(3) the actions of others acting on behalf of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.
Sec. 3937.060. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.061. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

For expiration of this section, see Subsection (e).

Sec. 3937.062. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kelly Moore</td>
</tr>
<tr>
<td>2</td>
<td>Frank Heuszel</td>
</tr>
<tr>
<td>3</td>
<td>Jeff Gobles</td>
</tr>
<tr>
<td>4</td>
<td>Elli Hinson</td>
</tr>
<tr>
<td>5</td>
<td>Bob Malquest</td>
</tr>
</tbody>
</table>

(b) The terms of the initial directors expire June 1, 2017.

(c) Of the directors who replace an initial director, the terms of directors serving in positions 1 through 3 expire June 1, 2019, and the terms of directors serving in positions 4 and 5 expire June 1, 2021.

(d) Section 3937.052 does not apply to initial directors under this section.

(e) This section expires September 1, 2021.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3937.101. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.103. LOCATION OF IMPROVEMENT PROJECT. An improvement project described by Section 3937.102 may be located:

(1) in the district; or

(2) in an area outside but adjacent to the district if the project is for the purpose of extending a public infrastructure improvement beyond the district's boundaries to a logical terminus.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.104. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.105. NONPROFIT CORPORATION. (a) The board by
resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.106. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.107. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit
organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.109. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.110. REAL PROPERTY RESTRICTIONS. (a) The district may adopt restrictions on the use of real property in the district.

(b) The district may enforce restrictions on the use of real property in the district in the manner provided for a municipal utility district by Section 54.237, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.111. DESIGNATION OF SPECIAL ZONES. (a) The district may designate all or any part of the area of the district, as if the district were a municipality, as:

(1) a tax increment reinvestment zone under Chapter 311,
Tax Code;

(2) a tax abatement reinvestment zone under Chapter 312, Tax Code; or

(3) an industrial district under Chapter 42, Local Government Code.

(b) Section 311.006(b), Tax Code, does not apply to a tax increment reinvestment zone created by the district.

(c) The district may submit to the Texas Economic Development Bank a request for designation of a project or activity in the district as an enterprise project in the manner provided for a municipality to submit a request under Chapter 2303, Government Code.

(d) If the county creates a tax increment reinvestment zone under Chapter 311, Tax Code, the county, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.112. CONCURRENCE ON ADDITIONAL POWERS. If the territory of the district is located in the corporate boundaries or the extraterritorial jurisdiction of a municipality, the district may not exercise a power granted to the district after the date the district was created unless the governing body of the municipality by resolution consents to the district's exercise of the power.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.113. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.
Sec. 3937.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.153. GENERAL POWERS REGARDING PAYMENT OF DISTRICT BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by:

(1) the imposition of an ad valorem tax or sales and use tax or an assessment, user fee, concession fee, or rental charge; or
(2) any other revenue or resources of the district, including revenues from a tax increment reinvestment zone.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.154. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has
been filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.156. STORM WATER USER CHARGES. The district may
establish user charges related to the operation of storm water facilities, including the regulation of storm water for the protection of water quality in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.157. NONPOTABLE WATER USER CHARGES. The district may establish user charges for the use of nonpotable water for irrigation purposes, subject to approval of the governing body of the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.158. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including the county, all or part of the cost of an improvement project, including an improvement project:

(1) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in or adjacent to the district; or

(2) that confers a general benefit on the entire district or a special benefit on a definable part of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.159. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3937.201. TAX ABATEMENT. The district may enter into a tax abatement agreement in accordance with the general laws of this
state authorizing and applicable to a tax abatement agreement by a
municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.202. PROPERTY TAX AUTHORIZED. (a) The district may impose an ad valorem tax on all taxable property in the district to:
(1) pay for an improvement project of the types authorized by Section 52(b), Article III, and Section 59, Article XVI, Texas Constitution; or
(2) secure the payment of bonds issued for a purpose described by Subdivision (1).
(b) The district may not impose an ad valorem tax to pay for an improvement project under this chapter unless the imposition is approved by the voters of the district voting at an election held for that purpose. The board may call an election to approve the imposition of an ad valorem tax to pay for an improvement project under this chapter only if the board receives a petition requesting the election signed by:
(1) more than 51 percent of the record owners of real property in the district subject to taxation; or
(2) owners representing more than 51 percent of the appraised value of real property in the district subject to taxation, as determined by the tax rolls of the appraisal district.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.203. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.
(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.
(c) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.204. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, or assessments in the manner provided by Subchapter J, Chapter 375, Local Government Code.

(b) If the territory of the district is not located in the corporate boundaries or extraterritorial jurisdiction of a municipality, the district is not required to comply with Section 375.207, Local Government Code, and may issue a bond or other obligation under Subchapter J, Chapter 375, Local Government Code, with the written consent of directors, as provided by Section 375.071, Local Government Code.

(c) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(d) In addition to the sources of money described by Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.
Sec. 3937.205. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.206. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
   (A) pay the interest on the bonds or other obligations as the interest becomes due; and
   (B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

SUBCHAPTER F. DISSOLUTION

Sec. 3937.251. DISSOLUTION BY ORDINANCE. (a) A municipality that includes territory of the district, in the corporate boundaries or extraterritorial jurisdiction of the municipality, by ordinance may dissolve the district.

(b) The municipality may not dissolve the district until the district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, or the municipality has affirmatively assumed the obligation to pay the outstanding debt from municipal revenue.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.
(a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the municipality that dissolves the district shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The municipality shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the municipality to refund the outstanding bonds or obligations.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

Sec. 3937.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) If a municipality dissolves the district, the municipality assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If a municipality dissolves the district, the board shall transfer ownership of all district property to the municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 879 (H.B. 4158), Sec. 1, eff. June 18, 2015.

CHAPTER 3938. GRAND LAKE ESTATES MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3938.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "County" means Montgomery County.

(3) "Director" means a board member.

(4) "District" means the Grand Lake Estates Management District.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff.
Sec. 3938.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) The district is created to supplement and not to supplant county services provided in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) developing or expanding transportation and commerce;
and
(4) providing quality residential housing.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping, removing graffiti from, and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.005. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest
on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3938.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY COUNTY. To be qualified to serve as a director appointed by the governing body of the county, a person must be:
(1) a resident of the district who is also a registered voter of the district;
(2) an owner of property in the district;
(3) an owner of stock or a partnership or membership
interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the district;

(4) an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the district;

(5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4); or

(6) an initial director.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.053. APPOINTMENT OF DIRECTORS. The governing body of the county shall appoint directors from persons recommended by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.054. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

(b) A director shall file a copy of the director's oath or affirmation with the clerk of the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.
Sec. 3938.056. QUORUM. A vacant director position is not counted for purposes of establishing a quorum.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation a director may receive each year may not exceed $2,000.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;

(2) actions and activities taken by the district; or

(3) the actions of others acting on behalf of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.
Sec. 3938.060. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.061. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

For expiration of this section, see Subsection (e).

Sec. 3938.062. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Collin Nguyen</td>
</tr>
<tr>
<td>2</td>
<td>Laura Dodson</td>
</tr>
<tr>
<td>3</td>
<td>Roger Stacey</td>
</tr>
<tr>
<td>4</td>
<td>Amanda James</td>
</tr>
<tr>
<td>5</td>
<td>Joe Teagarden</td>
</tr>
</tbody>
</table>

(b) The terms of the initial directors expire June 1, 2017.
(c) Of the directors who replace an initial director, the terms of directors serving in positions 1 through 3 expire June 1, 2019, and the terms of directors serving in positions 4 and 5 expire June 1, 2021.
(d) Section 3938.052 does not apply to initial directors under this section.
(e) This section expires September 1, 2021.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3938.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 3938.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3938.103. LOCATION OF IMPROVEMENT PROJECT. An improvement project described by Section 3938.102 may be located:
(1) in the district; or
(2) in an area outside but adjacent to the district if the project is for the purpose of extending a public infrastructure improvement beyond the district's boundaries to a logical terminus.

Sec. 3938.104. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. 3938.105. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.
(b) The nonprofit corporation:
(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.
(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.106. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.
(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.107. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.
Sec. 3938.109. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and
(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.110. REAL PROPERTY RESTRICTIONS. (a) The district may adopt restrictions on the use of real property in the district.

(b) The district may enforce restrictions on the use of real property in the district in the manner provided for a municipal utility district by Section 54.237, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.111. DESIGNATION OF SPECIAL ZONES. (a) The district may designate all or any part of the area of the district, as if the district were a municipality, as:

(1) a tax increment reinvestment zone under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone under Chapter 312, Tax Code; or
(3) an industrial district under Chapter 42, Local Government Code.

(b) Section 311.006(b), Tax Code, does not apply to a tax increment reinvestment zone created by the district.

(c) The district may submit to the Texas Economic Development Bank a request for designation of a project or activity in the district as an enterprise project in the manner provided for a municipality to submit a request under Chapter 2303, Government Code.

(d) If the county creates a tax increment reinvestment zone under Chapter 311, Tax Code, the county, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.112. CONCURRENCE ON ADDITIONAL POWERS. If the territory of the district is located in the corporate boundaries or the extraterritorial jurisdiction of a municipality, the district may not exercise a power granted to the district after the date the district was created unless the governing body of the municipality by resolution consents to the district's exercise of the power.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.113. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS**

Sec. 3938.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of signatures and the
procedure required for a disbursement or transfer of the district's money.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.153. GENERAL POWERS REGARDING PAYMENT OF DISTRICT BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by:

(1) the imposition of an ad valorem tax or sales and use tax or an assessment, user fee, concession fee, or rental charge; or
(2) any other revenue or resources of the district, including revenues from a tax increment reinvestment zone.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.154. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to
assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.156. STORM WATER USER CHARGES. The district may establish user charges related to the operation of storm water facilities, including the regulation of storm water for the protection of water quality in the district.
Sec. 3938.157. NONPOTABLE WATER USER CHARGES. The district may establish user charges for the use of nonpotable water for irrigation purposes, subject to approval of the governing body of the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.158. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including the county, all or part of the cost of an improvement project, including an improvement project:

(1) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in or adjacent to the district; or

(2) that confers a general benefit on the entire district or a special benefit on a definable part of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.159. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3938.201. TAX ABATEMENT. The district may enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to a tax abatement agreement by a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff.
Sec. 3938.202. PROPERTY TAX AUTHORIZED. (a) The district may impose an ad valorem tax on all taxable property in the district to:

(1) pay for an improvement project of the types authorized by Section 52(b), Article III, and Section 59, Article XVI, Texas Constitution; or

(2) secure the payment of bonds issued for a purpose described by Subdivision (1).

(b) The district may not impose an ad valorem tax to pay for an improvement project under this chapter unless the imposition is approved by the voters of the district voting at an election held for that purpose. The board may call an election to approve the imposition of an ad valorem tax to pay for an improvement project under this chapter only if the board receives a petition requesting the election signed by:

(1) more than 51 percent of the record owners of real property in the district subject to taxation; or

(2) owners representing more than 51 percent of the appraised value of real property in the district subject to taxation, as determined by the tax rolls of the appraisal district.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.203. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an
increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.204. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, or assessments in the manner provided by Subchapter J, Chapter 375, Local Government Code.

(b) If the territory of the district is not located in the corporate boundaries or extraterritorial jurisdiction of a municipality, the district is not required to comply with Section 375.207, Local Government Code, and may issue a bond or other obligation under Subchapter J, Chapter 375, Local Government Code, with the written consent of directors, as provided by Section 375.071, Local Government Code.

(c) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(d) In addition to the sources of money described by Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.205. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.
Sec. 3938.206. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the
time bonds or other obligations payable wholly or partly from ad
valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad
valorem tax for each year that all or part of the bonds are
outstanding; and

(2) the district annually shall impose an ad valorem tax on
all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations
as the interest becomes due; and

(B) create a sinking fund for the payment of the
principal of the bonds or other obligations when due or the
redemption price at any earlier required redemption date.

Sec. 3938.251. DISSOLUTION BY ORDINANCE. (a) A municipality
that includes territory of the district, in the corporate boundaries
or extraterritorial jurisdiction of the municipality, by ordinance
may dissolve the district.

(b) The municipality may not dissolve the district until the
district's outstanding debt or contractual obligations that are
payable from ad valorem taxes have been repaid or discharged, or the
municipality has affirmatively assumed the obligation to pay the
outstanding debt from municipal revenue.

Sec. 3938.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.
(a) If the dissolved district has bonds or other obligations
outstanding secured by and payable from assessments or other revenue,
other than ad valorem taxes, the municipality that dissolves the
district shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The municipality shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or
(2) special revenue or assessment bonds or other obligations issued by the municipality to refund the outstanding bonds or obligations.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) If a municipality dissolves the district, the municipality assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If a municipality dissolves the district, the board shall transfer ownership of all district property to the municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

CHAPTER 3940. VALLEY RANCH MEDICAL CENTER MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3940.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "County" means Montgomery County.
(3) "Director" means a board member.
(4) "District" means the Valley Ranch Medical Center Management District.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.
Sec. 3940.002. NATURE OF DISTRICT. The Valley Ranch Medical Center Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the county and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant county services provided in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:
(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3940.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than nine voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.055. COMPENSATION. A director is entitled to receive
fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

For expiration of this section, see Subsection (d).

Sec. 3940.056. INITIAL VOTING DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as initial voting directors the five persons named in the petition. The commission shall appoint the five persons named in the petition as initial directors by position.

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2017, and the terms of directors appointed for positions four and five expire June 1, 2019.

(c) Section 3940.052 does not apply to this section.

(d) This section expires September 1, 2019.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3940.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or
private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.105. AGREEMENTS; GRANTS. (a) As provided by Chapter
375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.108. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.
Sec. 3940.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Sec. 3940.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Sec. 3940.111. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3940.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district
money.
Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.
Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.
(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.
Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.
(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:
(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a
lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of district taxes or assessments on property in the zones.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

**SUBCHAPTER E. TAXES AND BONDS**

Sec. 3940.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3940.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be
voted on at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3940.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code,
does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

Sec. 3940.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.

SUBCHAPTER F. DISSOLUTION AND MUNICIPAL ANNEXATION

Sec. 3940.251. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The district is a "water or sewer district" under Section 43.071, Local Government Code.

(b) Section 43.075, Local Government Code, applies to the district.

(c) Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 499 (S.B. 2043), Sec. 1, eff. June 16, 2015.
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 3941.001.  DEFINITIONS.  In this chapter:
(1)  "Board" means the district's board of directors.
(2)  "County" means Montgomery County.
(3)  "Director" means a board member.
(4)  "District" means the Valley Ranch Town Center Management District.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.002.  NATURE OF DISTRICT.  The Valley Ranch Town Center Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.003.  PURPOSE; DECLARATION OF INTENT.  (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.  By creating the district and in authorizing the county and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district.  The district is created to supplement and not to supplant county services provided in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff.
Sec. 3941.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.
Sec. 3941.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.
Sec. 3941.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3941.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than nine voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including
death, resignation, or disqualification;
    
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
    
(3) a nonvoting director.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jason Tramonte</td>
</tr>
<tr>
<td>2</td>
<td>Temple Brown</td>
</tr>
<tr>
<td>3</td>
<td>Steve Sample</td>
</tr>
<tr>
<td>4</td>
<td>Melissa Fitzgerald</td>
</tr>
<tr>
<td>5</td>
<td>Adam Cohen</td>
</tr>
</tbody>
</table>

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2017, and the terms of directors appointed for positions four and five expire June 1, 2019.

(c) Section 3941.052 does not apply to this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

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Sec. 3941.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3941.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. 3941.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code.
Sec. 3941.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

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(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial
activity in the district, including programs to:

1. make loans and grants of public money; and
2. provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

1. Chapter 380, Local Government Code; and

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

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(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

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Sec. 3941.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 3941.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.
An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

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Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

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(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3941.203.

(b) The district must hold an election in the manner provided
by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3941.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.
Sec. 3941.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

Sec. 3941.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

SUBCHAPTER F. DISSOLUTION AND MUNICIPAL ANNEXATION

Sec. 3941.251. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The district is a "water or sewer district" under Section 43.071, Local Government Code.

(b) Section 43.075, Local Government Code, applies to the district.

(c) Section 375.264, Local Government Code, does not apply to
the dissolution of the district by a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 910 (S.B. 2044), Sec. 1, eff. June 18, 2015.

CHAPTER 3944. BRAZORIA COUNTY MANAGEMENT DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3944.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "County" means Brazoria County.
(3) "Director" means a board member.
(4) "District" means the Brazoria County Management District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.002. CREATION AND NATURE OF DISTRICT; IMMUNITY. (a) The district is a special district created under Section 59, Article XVI, Texas Constitution.
(b) The district is a governmental unit, as provided by Section 375.004, Local Government Code.
(c) This chapter does not waive any governmental or sovereign immunity from suit, liability, or judgment that would otherwise apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.
Sec. 3944.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 3944.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.005. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district, the legislature has established a program to accomplish the public purposes set out in Sections 52 and 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve a municipality or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant governmental services provided in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.
(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways, road facilities, transit facilities, parking facilities, enhanced infrastructure, recreational facilities, public art objects, water and wastewater facilities, and drainage facilities, and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.007. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
right to issue any type of bonds, notes, or other obligations for a purpose for which the district is created or to pay the principal of and interest on the bonds, notes, or other obligations;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;

(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.009. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.010. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.
Sec. 3944.011. CONFLICTS OF LAW. This chapter prevails over any provision of general law, including a provision of Chapter 375, Local Government Code, or Chapter 49, Water Code, that is in conflict or inconsistent with this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3944.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors elected or appointed as provided by this chapter and Subchapter D, Chapter 49, Water Code.

(b) Except as provided by Section 3944.053, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.052. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.053. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section...
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 3944.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 3944.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.054. DISQUALIFICATION OF DIRECTORS. Section 49.052, Water Code, applies to the members of the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3944.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The
district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or under Chapter 375, Local Government Code.

(b) An improvement project described by Subsection (a) may be located inside or outside the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.103. RECREATIONAL FACILITIES. The district may develop or finance recreational facilities as authorized by Chapter 375, Local Government Code, Sections 52 and 52-a, Article III, Texas Constitution, Section 59, Article XVI, Texas Constitution, and any other law that applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may own, operate, maintain, design, acquire, construct, finance, issue bonds, notes, or other obligations for, improve, and convey to this state, a county, or a municipality for ownership, operation, and maintenance macadamized, graveled, or paved roads or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.105. CONVEYANCE AND APPROVAL OF ROAD PROJECT. (a) The district may convey a road project authorized by Section 3944.104 to:

(1) a municipality or county that will operate and maintain the road if the municipality or county has approved the plans and
specifications of the road project; or

(2) the state if the state will operate and maintain the road and the Texas Transportation Commission has approved the plans and specifications of the road project.

(b) Except as provided by Subsection (c), the district shall operate and maintain a road project authorized by Section 3944.104 that the district implements and does not convey to a municipality, a county, or this state under Subsection (a).

(c) The district may agree in writing with a municipality, a county, or this state to assign operation and maintenance duties to the district, the municipality, the county, or this state in a manner other than the manner described in Subsections (a) and (b).

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.106. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.107. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter
431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.108. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.109. LAW ENFORCEMENT SERVICES. Section 49.216, Water Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.110. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.111. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.112. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with a municipality under Section 43.0751, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.113. REGIONAL PARTICIPATION AGREEMENT. The district may negotiate and enter into a written regional participation agreement with a municipality under Section 43.0754, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.114. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

(c) The district may include and exclude land as provided by Sections 54.739-54.747, Water Code. A reference in those sections to a "tax" means an ad valorem tax for the purposes of this subsection.

(d) If the district adopts a sales and use tax authorized at an election held under Section 3944.202 and subsequently includes new
territory in the district under this section, the district:

(1) is not required to hold another election to approve the imposition of the sales and use tax in the included territory; and
(2) shall impose the sales and use tax in the included territory as provided by Chapter 321, Tax Code.

(e) If the district adopts a sales and use tax authorized at an election held under Section 3944.202 and subsequently excludes territory in the district under this section, the sales and use tax is inapplicable to the excluded territory, as provided by Chapter 321, Tax Code, but is applicable to the territory remaining in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.115. APPLICABILITY OF OTHER LAW TO CERTAIN CONTRACTS.
(a) Subchapter I, Chapter 49, Water Code, applies to a district contract for construction work, equipment, materials, or machinery. Notwithstanding Section 2269.003(a), Government Code, the district may use a project delivery method described by Subchapter I, Chapter 49, Water Code, or Subchapters A-G, I, and J, Chapter 2269, Government Code.

(b) Notwithstanding Subsection (a), the board may adopt rules governing the receipt of bids and the award of a district contract and providing for the waiver of the competitive bid process if:
(1) there is an emergency;
(2) the needed materials are available only from one source;
(3) in a procurement requiring design by the supplier competitive bidding would not be appropriate and competitive negotiation, with proposals solicited from an adequate number of qualified sources, would permit reasonable competition consistent with the nature and requirements of the procurement; or
(4) after solicitation, it is ascertained that there will be only one bidder.

(c) Section 375.223, Local Government Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.
Sec. 3944.116. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.117. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.118. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3944.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district
Sec. 3944.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, maintain, or provide any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any
purpose authorized by this chapter in all or any part of the district without regard to whether that area is already subject to or overlaps with an area of the district that is subject to a prior assessment imposed by the board.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district are:

(1) a first and prior lien against the property assessed;
(2) superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.156. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.157. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS. The district may not impose an assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as
defined by Section 31.002, Utilities Code;
   (2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
   (3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
   (4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.158. RESIDENTIAL PROPERTY. Section 375.161, Local Government Code, does not apply to:
   (1) a tax imposed by the district; or
   (2) a required payment for a service provided by the district, including water and sewer service.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.159. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 3944.163, the district may impose an annual operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:
   (1) operate and maintain the district;
   (2) construct or acquire improvements; or
   (3) provide a service.
   (b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
   (c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.160. CONTRACT TAXES. In accordance with Section 49.108, Water Code, the district may impose a tax other than an
operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.161. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board.

(b) The district may by competitive bid or negotiated sale issue bonds, notes, or other obligations payable wholly or partly from taxes, including ad valorem taxes, or assessments, fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) In addition to any other terms authorized by the board by bond order or resolution, the proceeds of the district's bonds may be used for a reserve fund, credit enhancement, or capitalized interest for the bonds.

(d) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.162. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.
Sec. 3944.163. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3944.160.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or sales and use tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district through the issuance of district bonds may be included in one single proposition to be voted on at the election or the bonds may be submitted in several propositions.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.164. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.165. AUDIT EXEMPTION. (a) The district may elect to complete an annual financial report in lieu of an annual audit under Section 375.096(a)(6), Local Government Code, if:

(1) the district had no bonds or other long-term (more than one year) liabilities outstanding during the fiscal period;
(2) the district did not have gross receipts from operations, loans, taxes, assessments, or contributions in excess of $250,000 during the fiscal period; and
(3) the district's cash and temporary investments were not in excess of $250,000 during the fiscal period.

(b) Each annual financial report prepared in accordance with this section must be open to public inspection and accompanied by an
affidavit signed by a duly authorized representative of the district attesting to the accuracy and authenticity of the financial report.

(c) The annual financial report and affidavit shall be substantially similar in form to the annual financial report and affidavit forms prescribed by the executive director of the Texas Commission on Environmental Quality under Section 49.198, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

SUBCHAPTER E. SALES AND USE TAX

Sec. 3944.201. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.
(a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.

(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.202. ELECTION; ADOPTION OF TAX.
(a) The district may adopt a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) The board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the Brazoria County Management District No. 1 at a rate not to exceed ____ percent" (insert rate of one or more increments of one-eighth of one percent).

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.
Sec. 3944.203. SALES AND USE TAX RATE. (a) On or after the date the results are declared of an election held under Section 3944.202, at which the voters approved imposition of the tax authorized by this subchapter, the board shall determine and adopt by resolution or order the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) After the election held under Section 3944.202, the board may increase or decrease the rate of the tax by one or more increments of one-eighth of one percent.

(c) The initial rate of the tax or any rate resulting from subsequent increases or decreases may not exceed the lesser of:

(1) the maximum rate authorized by the district voters at the election held under Section 3944.202; or

(2) a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate prescribed by Section 321.101(f), Tax Code, at any location in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.204. TAX AFTER MUNICIPAL ANNEXATION. (a) This section applies to the district after a municipality annexes part of the territory in the district and imposes the municipality's sales and use tax in the annexed territory.

(b) If at the time of annexation the district has outstanding debt or other obligations payable wholly or partly from district sales and use tax revenue, Section 321.102(g), Tax Code, applies to the district.

(c) If at the time of annexation the district does not have outstanding debt or other obligations payable wholly or partly from district sales and use tax revenue, the district may:

(1) exclude the annexed territory from the district, if the district has no outstanding debt or other obligations payable from any source; or

(2) reduce the sales and use tax in the annexed territory by resolution or order of the board to a rate that, when added to the sales and use tax rate imposed by the municipality in the annexed territory, is equal to the sales and use tax rate imposed by the
district in the district territory that was not annexed by the municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.205. NOTIFICATION OF RATE CHANGE. The board shall notify the comptroller of any changes made to the tax rate under this subchapter in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.206. USE OF REVENUE. Revenue from the sales and use tax imposed under this subchapter is for the use and benefit of the district and may be used for any district purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.207. ABOLITION OF TAX. (a) Except as provided by Subsection (b), the board may abolish the tax imposed under this subchapter without an election.

(b) The board may not abolish the tax imposed under this subchapter if the district has outstanding debt secured by the tax, and repayment of the debt would be impaired by the abolition of the tax.

(c) If the board abolishes the tax, the board shall notify the comptroller of that action in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

(d) If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held under Section 3944.202 before the district may subsequently impose
the tax.

(e) This section does not apply to a decrease in the sales and use tax authorized under Section 3944.204(c)(2).

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

SUBCHAPTER F. HOTEL OCCUPANCY TAX

Sec. 3944.251. DEFINITION. In this subchapter, "hotel" has the meaning assigned by Section 156.001, Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.252. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.

(a) For purposes of this subchapter:

(1) a reference in Subchapter A, Chapter 352, Tax Code, to a county is a reference to the district; and

(2) a reference in Subchapter A, Chapter 352, Tax Code, to the commissioners court is a reference to the board.

(b) Except as inconsistent with this subchapter, Subchapter A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized by this subchapter, including the collection of the tax, subject to the limitations prescribed by Sections 352.002(b) and (c), Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.253. TAX AUTHORIZED; USE OF REVENUE. The district may impose a hotel occupancy tax for any purpose described by Section 351.101 or 352.101, Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.254. TAX RATE. (a) The amount of the hotel occupancy tax may not exceed the lesser of:
(1) the maximum rate prescribed by Section 352.003(a), Tax Code; or

(2) a rate that, when added to the rates of all hotel occupancy taxes imposed by other political subdivisions with territory in the district and by this state, does not exceed the sum of the rate prescribed by Section 351.0025(b), Tax Code, plus two percent.

(b) The district tax is in addition to a tax imposed by a municipality under Chapter 351, Tax Code, or by the county under Chapter 352, Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.255. INFORMATION. The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a county.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.256. USE OF REVENUE. The district may use revenue from the hotel occupancy tax for any district purpose that is an authorized use of hotel occupancy tax revenue under Chapter 351 or 352, Tax Code. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations and that pledge of revenue may be in combination with other revenue available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 77 (H.B. 2332), Sec. 1, eff. May 23, 2017.

Sec. 3944.257. ABOLITION OF TAX. (a) Except as provided by Subsection (b), the board may abolish the tax imposed under this subchapter.

(b) The board may not abolish the tax imposed under this subchapter if the district has outstanding debt secured by the tax, and repayment of the debt would be impaired by the abolition of the
SUBCHAPTER G. DISSOLUTION BY BOARD

Sec. 3944.301. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.
(a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

For contingent expiration of this chapter, see Section 3946.002.

CHAPTER 3946. WINDSOR HILLS MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3946.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Midlothian, Texas.
(3) "Commission" means the Texas Commission on Environmental Quality.
(4) "Development agreement" means a development agreement between the city and One Windsor Hills, L.P., that establishes the standards that apply to development in the district and includes zoning provisions for the district that allow a maximum of 545 residential units.
(5) "Director" means a board member.
(6) "District" means the Windsor Hills Municipal Management District No. 1.
(7) "Finance plan" means a finance plan between the city and the district that includes a general description of proposed improvement projects that will be financed by the district, an estimate of the costs for the proposed improvement projects, and the
means of financing costs related to the planning, design, construction, and improvement of the proposed improvement projects.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.002.  PRECONDITION; EXPIRATION.  (a) The district may not exercise any powers under this chapter until the development agreement and finance plan are executed.

(b) This chapter, including Section 3946.052, expires September 1, 2019, if the development agreement and finance plan are not executed by that date.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.003.  CREATION AND NATURE OF DISTRICT.  The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.004.  PURPOSE; LEGISLATIVE FINDINGS.  (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city from providing the level of services
provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the city services provided in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to further the public purposes of:

1. developing and diversifying the economy of the state;
2. eliminating unemployment and underemployment;
3. providing quality residential housing; and
4. developing or expanding transportation and commerce.

(e) The district will:

1. promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and
necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to contract;
(3) authority to borrow money or issue any type of bonds or other obligations for a purpose for which the district is created;
(4) right to impose or collect an assessment, or collect other revenue; or
(5) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.008. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The initial directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.
Sec. 3946.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 3946.052, directors serve staggered four-year terms, with two or three directors' terms expiring May 31 of each even-numbered year.

Sec. 3946.052. INITIAL DIRECTORS. (a) The initial board consists of:

(1) John Malloy;
(2) Jon Hendrickson;
(3) Suzanne Disette;
(4) Katie Martin Brown; and
(5) Christopher Alan Cain.

(b) Initial directors serve until the earlier of:

(1) the date permanent directors are elected under Section 3946.008; or
(2) June 1, 2021.

(c) If permanent directors have not been elected and the terms of the initial directors have expired, successor directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 3946.008; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor directors the five persons named in the petition. The commission shall appoint as successor directors the five persons named in the petition.
Sec. 3946.053. ELIGIBILITY. To be qualified to serve as a director, a person must meet the qualifications prescribed by Section 375.063, Local Government Code.

Sec. 3946.054. EX OFFICIO DIRECTORS. (a) The following persons serve ex officio as nonvoting directors:
   (1) the city manager of the city; and
   (2) the chief financial officer of the city.
   (b) An ex officio director is entitled to speak on a matter before the board.

Sec. 3946.055. VACANCY. A vacancy on the board shall be filled by the remaining members of the board for the unexpired term.

Sec. 3946.056. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Sec. 3946.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.
Sec. 3946.058. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses in the manner provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Sec. 3946.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;
(2) actions and activities taken by the district; or
(3) the actions of others acting on behalf of the district.

Sec. 3946.060. CONFLICTS OF INTEREST. Chapter 171, Local Government Code, governs conflicts of interest of directors.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3946.101. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter D.

(b) An improvement project authorized under this chapter may be located inside or outside the district.
Sec. 3946.102. RULES; ENFORCEMENT.  (a) The district may adopt rules:
  (1) to administer or operate the district; or
  (2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities.
  (b) The district may enforce its rules by injunctive relief.

Sec. 3946.103. NAME CHANGE; NOTICE.  (a) The board by resolution may change the district's name.
  (b) The board shall give written notice of a name change to the city.

Sec. 3946.104. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Sec. 3946.105. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.
Sec. 3946.151. IMPROVEMENT PROJECTS AND SERVICES. Except as otherwise provided by this chapter, the district may provide, or contract with a governmental or private entity to provide, water, wastewater, drainage, or roadway projects, or related projects and services.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project is necessary to accomplish a public purpose of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.153. CITY REQUIREMENTS. (a) An improvement project must comply with any applicable city construction codes and construction ordinances.

(b) The district may not provide, conduct, or authorize any improvement project on the city's streets, highways, rights-of-way, or easements without the consent of the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.154. ADDITIONAL CITY POWERS REGARDING IMPROVEMENT PROJECTS. (a) Except as otherwise provided by an agreement between the district and the city, the city may:

(1) by ordinance, order, resolution, or other directive require that title to all or any portion of an improvement project vest in the city; or

(2) by ordinance, order, resolution, or other directive authorize the district to own, encumber, maintain, and operate an improvement project or convey the project to the city at a later date.

(b) The district shall immediately comply with any city ordinance or resolution adopted under this section.
SUBCHAPTER E. CONTRACTS

Sec. 3946.201. GENERAL CONTRACT POWERS. The district may contract with any person to accomplish any district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.202. CONTRACT TERMS. A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including an obligation to issue a negotiable or nonnegotiable note or warrant payable to the city or any other person.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.203. REIMBURSEMENT OF COSTS. The district may contract with any person for the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.204. CONTRACT FOR IMPROVEMENT PROJECT. (a) The district may contract with any person for the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project.

(b) The district may apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study,
design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.205. NO FURTHER CONTRACT AUTHORIZATION REQUIRED. Any person, including the city, may contract with the district to carry out the purposes of this chapter without further statutory or other kind of authorization.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

Sec. 3946.251. DEVELOPMENT AGREEMENT REQUIRED TO BORROW MONEY OR IMPOSE ASSESSMENTS. Before the district may issue bonds, impose assessments, or borrow money, the district must obtain from the city confirmation that no defaults under the development agreement are known.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.252. BORROWING MONEY. The district may borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for a district purpose. The bond, note, credit agreement, or other obligation must be secured by and payable from assessments or any other district revenue.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.253. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other
obligations payable wholly or partly from assessments in the manner provided by Subchapter J, Chapter 375, Local Government Code.

(b) If the improvements financed by an obligation will be conveyed to or operated and maintained by a municipality or retail utility provider pursuant to an agreement between the district and the municipality or retail utility provider entered into before the issuance of the obligation, the obligation may be issued in the manner provided by Subchapter A, Chapter 372, Local Government Code.

(c) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(d) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.254. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.255. ISSUER POWERS FOR CERTAIN PUBLIC IMPROVEMENTS. The district may exercise any power of an issuer under Chapter 1371, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.256. GENERAL POWERS REGARDING PAYMENT OF DISTRICT BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or secure the payment or repayment of any bond, note, or other temporary
or permanent obligation or reimbursement or other contract with any person and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or debt by:

(1) a lease, installment purchase contract, or other agreement; or

(2) any other revenue or resources of the district or other revenue authorized by the city, including revenue from a tax increment reinvestment zone created by the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.257. ASSESSMENTS. (a) The district may impose an assessment on property in the district to pay the cost of any authorized district improvement or to pay the costs of establishing and operating the district in the manner provided for:

(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or

(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

(b) An assessment may not exceed the equivalent of 43 cents per $100 of valuation on the average residential lot in the district.

(c) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed; and

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(d) The lien of an assessment against property runs with the land. The portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien, and any purchaser of property in a foreclosure of an ad valorem tax lien takes the property subject to the assessment payment
obligations that have not yet come due and to the lien and terms of the lien's payment under the applicable assessment ordinance or order.

(e) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.258. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including the city, all or part of the cost of an improvement project, including an improvement project that confers a general benefit on the entire district or a special benefit on a definable part of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.259. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.260. NO IMPACT FEES. The district may not impose an impact fee.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.261. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.
SUBCHAPTER G. DISSOLUTION

Sec. 3946.301. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

(b) The city may not dissolve the district until:

(1) the district's outstanding debt or other obligations have been repaid, assumed, or discharged, including the defeasance of any outstanding bonds or other obligations through the issuance of debt by the city; and

(2) each party to the development agreement fulfills the party's obligations under the agreement and the plan, including a district obligation to reimburse a developer or owner for the costs of an improvement project or service.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.302. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

Sec. 3946.303. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments
or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 607 (H.B. 3136), Sec. 1, eff. September 1, 2017.

CHAPTER 3947. UNIVERSITY HILLS MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3947.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Dallas, Texas.
(3) "Commission" means the Texas Commission on Environmental Quality.
(4) "County" means Dallas County, Texas.
(5) "Director" means a board member.
(6) "District" means the University Hills Municipal Management District.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.002. CREATION AND NATURE OF DISTRICT. The University Hills Municipal Management District is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.
(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to:

1. further the public purposes of developing and diversifying the economy of the state;
2. eliminate unemployment and underemployment; and
3. develop or expand transportation and commerce.

(e) The district will:

1. promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street
landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to contract;
(3) authority to borrow money or issue bonds or other obligations described by Section 3947.203 or to pay the principal and interest of the bonds or other obligations;
(4) right to impose or collect an assessment or collect other revenue; or
(5) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district
for:

(1) the purposes permitted for money granted to a
corporation under Section 380.002(b), Local Government Code; and
(2) any other district purpose, including the right to
pledge the money as security for any bonds or other obligations
issued by the district under Section 3947.203.

(c) If the city creates a tax increment reinvestment zone
described by Subsection (a), the city may determine the percentage of
the property in the zone that may be used for residential purposes
and is not subject to the limitations provided by Section 311.006,
Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff.
June 12, 2017.

Sec. 3947.007. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
On receipt of a petition signed by the owners of a majority of the
acreage and the assessed value of real property in the district
according to the most recent certified tax appraisal roll for the
county, the initial directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as
provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff.
June 12, 2017.

Sec. 3947.008. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT
LAW. Except as provided by this chapter, Chapter 375, Local
Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff.
June 12, 2017.

Sec. 3947.009. CONSTRUCTION OF CHAPTER. This chapter shall be
construed in conformity with the findings and purposes stated in this
chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff.
June 12, 2017.

Sec. 3947.010. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 3947.007 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.011. CONCURRENCE ON ADDITIONAL POWERS. If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city consents to that change by ordinance or resolution.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3947.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 3947.054, directors serve staggered four-year terms, with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.052. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.
Sec. 3947.053. REMOVAL OF DIRECTORS. (a) The board may remove a director by unanimous vote of the other directors if the director has missed at least half of the meetings scheduled during the preceding 12 months.

(b) A director removed under this section may file a written appeal with the commission not later than the 30th day after the date the director receives written notice of the board action. The commission may reinstate the director if the commission finds that the removal was unwarranted under the circumstances after considering the reasons for the absences, the time and place of the meetings, the business conducted at the meetings missed, and any other relevant circumstances.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.054. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kenneth Medlock</td>
</tr>
<tr>
<td>2</td>
<td>Michael Williams</td>
</tr>
<tr>
<td>3</td>
<td>Susan Larson</td>
</tr>
<tr>
<td>4</td>
<td>Alan Michlin</td>
</tr>
<tr>
<td>5</td>
<td>Michael Warner</td>
</tr>
</tbody>
</table>

(b) Initial directors serve until the earlier of:

1. the date permanent directors are elected under Section 3947.007; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 3947.007 and the terms of the initial directors have expired, successor initial directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 3947.007; or
2. the fourth anniversary of the date of the appointment
or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal rolls for the county may submit a petition to the commission requesting that the commission appoint as successor initial directors the five persons named in the petition. The commission shall appoint as successor initial directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3947.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter D or activities in support of or incidental to those projects.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52,
Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.106. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.107. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.
Sec. 3947.108. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.109. AD VALOREM TAXATION. The district may not impose an ad valorem tax.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.110. LIMITATIONS ON EMERGENCY SERVICES POWERS. The district may not establish, operate, maintain, or finance a police or fire department without the consent of the city by ordinance or resolution.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.111. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory inside the corporate boundaries or the extraterritorial jurisdiction of the city to the district or remove territory inside the corporate boundaries or the extraterritorial jurisdiction of the city from the district, except that:

(1) the addition or removal of the territory must be approved by the city;

(2) the addition or removal may not occur without petition by the owners of the territory being added or removed; and

(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from assessments assessed on the territory are outstanding.
Sec. 3947.112. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 3947.007 to confirm the creation of the district.

(f) An order dividing the district must:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint initial directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 3947.007.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 3947.010 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the...
new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.113. ENFORCEMENT OF REAL PROPERTY RESTRICTIONS. The district may enforce a real property restriction in the manner provided by Section 54.237, Water Code, if, in the reasonable judgment of the board, the enforcement of the restriction is necessary.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.114. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENTS AND FEES. The district may not impose an assessment, impact fee, or standby fee on the property, including the equipment, rights-of-way, easements, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility, as defined by Section 101.003 or 121.001, Utilities Code, or a person who owns pipelines used for the transportation or sale of oil or gas or a product or constituent of oil or gas;

(3) a person who owns pipelines used for the transportation or sale of carbon dioxide;

(4) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(5) a cable service provider or video service provider as defined by Section 66.002, Utilities Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff.
Sec. 3947.115. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER D. IMPROVEMENT PROJECTS AND SERVICES**

Sec. 3947.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service, including water, wastewater, drainage, and roadway projects or services, using any money available to the district, or contract with a governmental or private entity and reimburse that entity for the provision, design, construction, acquisition, improvement, relocation, operation, maintenance, or financing of an improvement project, service, or cost, for the provision of credit enhancement, or for any cost of operating or maintaining the district or the issuance of district obligations authorized under this chapter, Chapter 372 or 375, Local Government Code, or Chapter 49 or 54, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project is necessary to accomplish a public purpose of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be located or provide service inside or outside the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff.
Sec. 3947.154. CITY REQUIREMENTS. An improvement project in the district must comply with any applicable requirements of the city, including codes and ordinances, unless specifically waived or superseded by agreement with the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.155. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA; BENEFIT BASIS. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code; or
(2) Chapter 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3947.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.
Sec. 3947.203. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose, including the acquisition or construction of improvement projects authorized by this chapter and the reimbursement of a person who develops or owns an improvement project authorized by this chapter, by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract or other agreement payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):
(1) may bear interest at a rate determined by the board; and
(2) may include a term or condition as determined by the board.

(c) The board may issue an obligation under this section without an election.

(d) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from assessments in the manner provided by Subchapter J, Chapter 375, Local Government Code.

(e) If the improvements financed by an obligation will be conveyed to or operated and maintained by a municipality or retail utility provider pursuant to an agreement between the district and the municipality or retail utility provider entered into before the issuance of the obligation, the obligation may be issued in the manner provided by Subchapter A, Chapter 372, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.204. ASSESSMENTS. (a) Except as provided by Subsections (b) and (c), the district may impose an assessment on property in the district to pay for an obligation described by Section 3947.203 or an improvement project authorized by Section 3947.151 in the manner provided for:

(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or
(2) a municipality or county under Subchapter A, Chapter

(b) The district may not impose an assessment on a municipality, county, or other political subdivision.

(c) The board may not finance an improvement project or service with assessments unless a written petition requesting that improvement project or service has been filed with the board. The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.205. RESIDENTIAL PROPERTY NOT EXEMPT. Sections 375.161 and 375.164, Local Government Code, do not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.206. COLLECTION OF ASSESSMENTS. The district may contract as provided by Chapter 791, Government Code, with the commissioners court of the county for the assessment and collection of assessments imposed under this subchapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.207. RATES, FEES, AND CHARGES. The district may establish, revise, repeal, enforce, and collect rates, fees, and charges for the enjoyment, sale, rental, or other use of:

1. an improvement project;
2. a product resulting from an improvement project; or
3. another district facility, service, or property.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.
SUBCHAPTER F. DISSOLUTION

Sec. 3947.251. DISSOLUTION BY BOARD. The board may dissolve the district in the manner provided by Section 375.261, Local Government Code, subject to Section 375.264, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.252. DISSOLUTION BY CITY. (a) The city may dissolve the district by ordinance.

(b) The city may not dissolve the district until:

(1) the district's outstanding debt or contractual obligations have been repaid or discharged; or

(2) the city agrees to succeed to the rights and obligations of the district, including an obligation described by Section 3947.254.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

Sec. 3947.253. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.
Sec. 3947.254. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any contractual obligations or bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 656 (S.B. 2244), Sec. 1, eff. June 12, 2017.

CHAPTER 3948. RIVER RANCH IMPROVEMENT DISTRICT OF LIBERTY COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3948.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Dayton.
(3) "County" means Liberty County.
(4) "Director" means a board member.
(5) "District" means the River Ranch Improvement District of Liberty County.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.002. NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.
(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district, and to accomplish the redevelopment of land in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for road, transportation, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;

(3) an enterprise zone created under Chapter 2303,
Government Code; or

(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3948.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.
Sec. 3948.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Sec. 3948.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Sec. 3948.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

For expiration of this section, see Subsection (d).

Sec. 3948.056. INITIAL VOTING DIRECTORS. (a) Notwithstanding Section 3948.051(a), the initial board consists of the following five directors:

<table>
<thead>
<tr>
<th>Pos.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wayne Knox</td>
</tr>
<tr>
<td>2</td>
<td>Mary H. Cody</td>
</tr>
</tbody>
</table>
Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2019, and the terms of directors appointed for positions four and five expire June 1, 2021.

Section 3948.052 does not apply to this section.

This section expires September 1, 2021.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3948.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.
Sec. 3948.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Sec. 3948.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3948.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.
Sec. 3948.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and
necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.110. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapters 257 and 441, Transportation Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.111. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.112. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff.
Sec. 3948.113. NAVIGATION DISTRICT POWERS. (a) The district has the powers provided by the general law of this state applicable to navigation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 60 and 62, Water Code.

(b) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, a canal, waterway, bulkhead, dock, or other improvement or facility necessary or convenient to accomplish the navigation purposes of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.114. RAIL FACILITIES. The district may construct, acquire, improve, maintain, and operate rail facilities and improvements in aid of those facilities.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.115. RURAL PUBLIC TRANSPORTATION POWERS. (a) The district may provide and coordinate rural public transportation in its territory in the manner provided by Sections 458.010 and 458.011, Transportation Code, for a rural transit district.

(b) Section 458.012(a), Transportation Code, does not apply to the operations of the district under Subsection (a).

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.116. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code,
does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.117. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3948.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.
Sec. 3948.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Sec. 3948.155. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax authorized or approved by the voters of the district or a required payment for a service provided by the district, including water and sewer services.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.
Sec. 3948.156. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.157. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of district taxes or assessments on property in the zones.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3948.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3948.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election
held in accordance with Section 3948.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

1. maintain and operate the district;
2. construct or acquire improvements; or
3. provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.
Sec. 3948.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.206. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

SUBCHAPTER F. DEFINED AREAS

Sec. 3948.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the defined area or designated property, the board shall hold an election in the defined area or in the designated property only.
(b) The board may submit the issues to the voters on the same ballot to be used in another election.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3948.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.

Sec. 3948.255. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3948.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2017, 85th Leg., R.S., Ch. 445 (S.B. 320), Sec. 1, eff. June 9, 2017.
Sec. 3949.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "County" means Harris County.
(3) "Director" means a board member.
(4) "District" means the Grand Northwest Municipal Management District, formerly the Grand Northwest Municipal Utility District.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.002. NATURE OF DISTRICT; CONVERSION. The Grand Northwest Municipal Management District is a special district created under Section 59, Article XVI, Texas Constitution, as the Grand Northwest Municipal Utility District. The district is converted to a municipal management district known as the Grand Northwest Municipal Management District under the same constitutional authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.003. PURPOSE; DECLARATION OF INTENT. (a) The conversion and operation of the district are essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By converting the district to a municipal management district and in authorizing the county and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The conversion and operation of the district are necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.
(c) This chapter and the conversion or operation of the district may not be interpreted to relieve the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant county services provided in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is converted to a municipal management district to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The operation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and
necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.005. INITIAL DISTRICT TERRITORY. The district is initially composed of the territory of the former Grand Northwest Municipal Utility District as that territory existed on March 1, 2017.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3949.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors elected in the manner provided by Sections 49.102 and 49.103, Water Code.

(b) Directors serve staggered four-year terms.
Sec. 3949.052. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification; or

(2) a director who is abstaining from participation in a vote because of a conflict of interest.

Sec. 3949.053. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

For expiration of this section, see Subsection (c).

Sec. 3949.054. INITIAL DIRECTORS ON CONVERSION TO MANAGEMENT DISTRICT. (a) Notwithstanding Section 3949.051, on the conversion of the district to a management district the initial board consists of the following directors:

<table>
<thead>
<tr>
<th>Pos.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Charles Martin</td>
</tr>
<tr>
<td>2.</td>
<td>Taylor Dillingham</td>
</tr>
<tr>
<td>3.</td>
<td>Stephen Ghutzman</td>
</tr>
<tr>
<td>4.</td>
<td>Oliver Maarraoui</td>
</tr>
<tr>
<td>5.</td>
<td>Andrew Doonan</td>
</tr>
</tbody>
</table>

(b) Of the initial directors, the terms of directors appointed for positions one, two, and three expire May 14, 2018, and the terms of directors appointed for positions four and five expire May 12,
2020.

(c) This section expires September 1, 2020.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3949.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes described by this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.103. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.104. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with...
or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.105. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.106. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:
   (1) make loans and grants of public money; and
   (2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:
   (1) Chapter 380, Local Government Code; and
   (2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.107. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related
appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.108. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3949.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.153. PETITION REQUIRED FOR FINANCING SERVICES AND
IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.
SUBCHAPTER E. TAXES AND BONDS

Sec. 3949.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3949.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3949.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.
Sec. 3949.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3949.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff.
Sec. 3949.251. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The district is a "water or sewer district" under Section 43.071, Local Government Code.

(b) Section 43.075, Local Government Code, applies to the district.

(c) Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 624 (H.B. 4283), Sec. 2, eff. June 12, 2017.

Sec. 3950.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Houston.

(3) "County" means Harris County.

(4) "Director" means a board member.

(5) "District" means the Stadium Park Management District.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By
creating the district and in authorizing political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) The district is created to supplement and not to supplant county services provided in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) developing or expanding transportation and commerce; and
(4) providing quality residential housing.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping, removing
graffiti from, and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.005. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose or collect an assessment or tax; or
4. legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

(b) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(b), Tax Code.

(c) If the city creates a tax increment reinvestment zone under Chapter 311, Tax Code, the city, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3950.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of 11 voting directors who must be qualified under and appointed by the governing body of the city as provided by Subchapter D, Chapter 375, Local Government Code.

(b) The directors serve staggered terms of four years with five or six directors' terms expiring June 1 of each odd-numbered year.
Sec. 3950.052. DIRECTOR'S OATH OR AFFIRMATION. (a) A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

(b) A director shall file a copy of the director's oath or affirmation with the clerk of the county.

Sec. 3950.053. QUORUM. A vacant director position is not counted for purposes of establishing a quorum.

Sec. 3950.054. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Sec. 3950.055. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $50 for each board meeting. The total amount of compensation a director may receive each year may not exceed $2,000.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.
Sec. 3950.056. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;
(2) actions and activities taken by the district; or
(3) the actions of others acting on behalf of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.057. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.058. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

For expiration of this section, see Subsection (e).

Sec. 3950.059. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gary Zimmerman;</td>
</tr>
<tr>
<td>2.</td>
<td>Chris Pappas;</td>
</tr>
<tr>
<td>3.</td>
<td>Al Kashani;</td>
</tr>
<tr>
<td>4.</td>
<td>Terence Fontaine;</td>
</tr>
<tr>
<td>5.</td>
<td>June Deadrick;</td>
</tr>
<tr>
<td>6.</td>
<td>Kevin Hoffman;</td>
</tr>
<tr>
<td>7.</td>
<td>Dallas Jones;</td>
</tr>
<tr>
<td>8.</td>
<td>Marchris Robinson;</td>
</tr>
<tr>
<td>9.</td>
<td>Jamey Rootes;</td>
</tr>
</tbody>
</table>

Statute text rendered on: 6/18/2019
The terms of the initial directors expire June 1, 2019.

Of the directors who replace an initial director, the terms of directors serving in positions 1 through 5 expire June 1, 2021, and the terms of directors serving in positions 6 through 11 expire June 1, 2023.

Section 375.063, Local Government Code, does not apply to the initial directors named by Subsection (a).

This section expires September 1, 2023.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3950.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.103. LOCATION OF IMPROVEMENT PROJECT. An improvement project described by Section 3950.102 may be located:

(1) in the district; or

(2) in an area outside but adjacent to the district if the project is for the purpose of extending a public infrastructure
improvement beyond the district's boundaries to a logical terminus.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.104. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.105. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.106. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function
Sec. 3950.107. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.109. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and
(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff.
Sec. 3950.110. CONCURRENCE ON ADDITIONAL POWERS. If the territory of the district is located in the corporate boundaries or the extraterritorial jurisdiction of a municipality, the district may not exercise a power granted to the district after the date the district was created unless the governing body of the municipality by resolution consents to the district's exercise of the power.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.111. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 3950.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.
Sec. 3950.153. GENERAL POWERS REGARDING PAYMENT OF DISTRICT BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by:

(1) the imposition of an ad valorem tax or sales and use tax or an assessment, user fee, concession fee, or rental charge; or

(2) any other revenue or resources of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.154. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including the city or the county, all or part of the cost of an improvement project, including an improvement project:

(1) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in or adjacent to the district; or

(2) that confers a general benefit on the entire district or a special benefit on a definable part of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.156. PROPERTY EXEMPT FROM IMPACT FEES. The district may not impose an impact fee on a residential property, including a multiunit residential property, or a condominium.
Sec. 3950.201. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by the owners of at least 60 percent of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 3950.202. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district that is not a residential property, including a multiunit residential property or a condominium.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the
board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.203. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

SUBCHAPTER F. TAXES AND BONDS

Sec. 3950.251. TAX ABATEMENT. The district may enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to a tax abatement agreement by a municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.252. PROPERTY TAX AUTHORIZED. (a) The district may impose an ad valorem tax on all taxable property in the district to:

(1) pay for an improvement project of the types authorized by Section 52(b), Article III, and Section 59, Article XVI, Texas Constitution; or

(2) secure the payment of bonds issued for a purpose described by Subdivision (1).

(b) The district may not impose an ad valorem tax to pay for an improvement project under this chapter unless:

(1) a written petition has been filed with the board requesting an election to approve the imposition of the tax signed by the owners of at least 60 percent of the assessed value of the
property in the district as determined from the most recent certified county property tax rolls; and

(2) the imposition of the tax is approved by the voters of the district voting at the requested election.

(c) The district may not impose an ad valorem tax on a residential property, including a multiunit residential property or a condominium.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.253. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.254. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.
(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.255. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.256. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

SUBCHAPTER G. DISSOLUTION
Sec. 3950.301. DISSOLUTION BY ORDINANCE. (a) A municipality that includes territory of the district, in the corporate boundaries or extraterritorial jurisdiction of the municipality, by ordinance may dissolve the district.

(b) The municipality may not dissolve the district until the district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, or the municipality has affirmatively assumed the obligation to pay the outstanding debt from municipal revenue.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.302. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the municipality that dissolves the district shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The municipality shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the municipality to refund the outstanding bonds or obligations.

Added by Acts 2017, 85th Leg., R.S., Ch. 803 (H.B. 4290), Sec. 1, eff. June 15, 2017.

Sec. 3950.303. ASSUMPTION OF ASSETS AND LIABILITIES. (a) If a municipality dissolves the district, the municipality assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If a municipality dissolves the district, the board shall transfer ownership of all district property to the municipality.
Sec. 3951.001.  DEFINITIONS.  In this chapter:

(1)  "Board" means the district's board of directors.
(2)  "City" means the City of Houston.
(3)  "County" means Harris County.
(4)  "Director" means a board member.
(5)  "District" means the Lakewood Improvement District of Harris County.

Sec. 3951.002.  NATURE OF DISTRICT.  The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3951.003.  PURPOSE; DECLARATION OF INTENT.  (a)  The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.  By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b)  The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district, and to accomplish the redevelopment of land in the district.

(c)  This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the
level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways, parking facilities, and conduit facilities and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
(4) provide for road, bridge, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street or road and are considered to be a street or road improvement.
(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on bonds;
3. right to impose or collect an assessment or tax; or
4. legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created under Chapter 312, Tax Code;
3. an enterprise zone created under Chapter 2303, Government Code; or
4. an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.
Sec. 3951.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3951.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than nine voting directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.
Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

For expiration of this section, see Subsection (d).

Sec. 3951.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
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<td>1</td>
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</table>

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2019, and the terms of directors appointed for positions four and five expire June 1, 2021.
(c) Section 3951.052 does not apply to this section.
(d) This section expires September 1, 2021.
Sec. 3951.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3951.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3951.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. 3951.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff.
Sec. 3951.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.
Sec. 3951.110. ANNEXATION AND EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.111. NAVIGATION DISTRICT POWERS. (a) The district has the powers provided by the general law of this state applicable to navigation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 60 and 62, Water Code.

(b) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, a canal, waterway, bulkhead, dock, or other improvement or facility necessary or convenient to accomplish the navigation purposes of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.112. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapters 257 and 441, Transportation Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.113. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or
extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.114. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENTS AND FEES. The district may not impose an assessment, impact fee, or standby fee on the property, including the equipment, rights-of-way, easements, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility, as defined by Section 101.003 or 121.001, Utilities Code, or a person who owns pipelines used for the transportation or sale of oil or gas or a product or constituent of oil or gas;

(3) a person who owns pipelines used for the transportation or sale of carbon dioxide;

(4) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(5) a cable service provider or video service provider as defined by Section 66.002, Utilities Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.115. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:

(1) burying or removing electrical power lines, telephone lines, cable or fiber-optic lines, or any other type of electrical or optical line; and

(2) removing poles and any elevated lines using the poles.

(b) The district may finance, acquire, construct, improve, operate, maintain, or charge fees for the use of the district
conduits for another person's:
(1) telecommunications network; or
(2) fiber-optic cable.

(c) Consistent with Title 2, Utilities Code, the district may finance, construct, or maintain conduits for:
(1) electronic transmission and distribution lines and supporting facilities; or
(2) other types of transmission and distribution lines and supporting facilities.

(d) The district may not require a person to use a district conduit.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.116. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3951.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.
Sec. 3951.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff.
Sec. 3951.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.156. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.157. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3951.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3951.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be
Sec. 3951.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3951.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code,
does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.206. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

SUBCHAPTER F. SALES AND USE TAX

Sec. 3951.251. MEANINGS OF WORDS AND PHRASES. A word or phrase used in this subchapter that is defined by Chapter 151 or 321, Tax Code, has the meaning assigned by Chapter 151 or 321, Tax Code.
Sec. 3951.252. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) The provisions of Subchapters C, D, E, and F, Chapter 323, Tax Code, relating to county sales and use taxes apply to the application, collection, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 323, Tax Code, to a county referred to the district and references to a commissioners court referred to the board.

(b) Sections 323.401-323.404 and 323.505, Tax Code, do not apply to a tax imposed under this subchapter.

Sec. 3951.253. AUTHORIZATION; ELECTION. (a) The district shall adopt, reduce, or repeal the sales and use tax authorized by this subchapter at an election in which a majority of the voters of the district voting in the election approve the adoption, reduction, or repeal of the tax, as applicable.

(b) The board by order shall call an election to adopt, reduce, or repeal a sales and use tax. The election shall be held on the first authorized uniform election date that occurs after the time required by Section 3.005, Election Code.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Chapter 54, Water Code, for bond elections for municipal utility districts.

(d) The ballots shall be printed to provide for voting for or against the following appropriate proposition:

(1) "Adoption of a ___ percent district sales and use tax in the district";

(2) "Reduction of the district sales and use tax in the district from ___ percent to ___ percent"; or

(3) "Repeal of the district sales and use tax in the district."

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.
Sec. 3951.254. EFFECTIVE DATE OF TAX. A tax imposed under this subchapter or the repeal or reduction of a tax under this subchapter takes effect on the first day of the first calendar quarter that occurs after the date the comptroller receives the copy of the resolution as required by Section 323.405(b), Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.255. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax of two percent, or the maximum rate at which the combined tax rate of all local sales and use taxes in any location in the district does not exceed two percent, on the receipts from the sale at retail of taxable items in the district, and an excise tax on the use, storage, or other consumption in the district of taxable items purchased, leased, or rented from a retailer during the period that the tax is in effect.

(b) The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.256. EXAMINATION AND RECEIPT OF INFORMATION. The district may examine and receive information related to the imposition of a sales and use tax to the same extent as if the district were a municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.257. ALTERNATIVE METHOD OF IMPOSITION. Notwithstanding any other provision of this subchapter, the district
may impose the sales and use tax as provided by Subchapter F, Chapter 383, Local Government Code, instead of as provided by the other provisions of this subchapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER G. DEFINED AREAS**

Sec. 3951.301. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.302. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the defined area or designated property, the board shall hold an election in the defined area or in the designated property only.

(b) The board may submit the issues to the voters on the same ballot to be used in another election.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.303. DECLARING RESULT AND ISSUING ORDER. If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.
Sec. 3951.304. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3951.303, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

Sec. 3951.305. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3951.303 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.

SUBCHAPTER H. DISSOLUTION OF DISTRICT

Sec. 3951.351. DISSOLUTION. (a) Except as provided by Subsection (b), the board:

(1) may dissolve the district; and

(2) shall dissolve the district on receipt of a written petition requesting dissolution signed by the owners of 75 percent of the acreage of real property in the district.

(b) The board may not dissolve the district until the district's outstanding indebtedness or contractual obligations have been repaid or discharged.

(c) After the board dissolves the district, the board shall transfer ownership of all district property and assets to the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 667 (S.B. 2276), Sec. 1, eff. June 12, 2017.
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3952.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Midlothian, Texas.
(3) "County" means Ellis County, Texas.
(4) "Development agreement and consent application" means the Development Agreement made between the city and Hawkins Midlothian Development, LLC, and the Second Amended and Restated Application for Consent to Create a Municipal Management District submitted to the city by Hawkins Midlothian Development, LLC.
(5) "Director" means a board member.
(6) "District" means the Midlothian Municipal Management District No. 3.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.002. PRECONDITION. (a) In this section, "finance plan" means a plan that includes a general description of proposed improvement projects that will be financed by the district, an estimate of the costs for the proposed improvement projects, an estimate of the amount of the costs for the proposed improvement projects that the district will pay directly or that will be reimbursed to a developer of property in the district, and the means of financing costs related to the planning, design, construction, improvement, maintenance, and operation of the proposed improvement projects.

(b) The district may not exercise any powers under this chapter until:

(1) the development agreement and consent application are executed and effective; and
(2) the finance plan is approved by the governing body of the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.003. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas
Sec. 3952.004.  PURPOSE; LEGISLATIVE FINDINGS.  (a)  The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.  By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b)  The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c)  This chapter and the creation of the district may not be interpreted to relieve the city or county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district.  The district is created to supplement and not to supplant city and county services provided in the district.

Sec. 3952.005.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The district is created to serve a public use and benefit.

(b)  All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c)  The creation of the district is in the public interest and is essential to further the public purposes of:

(1)  developing and diversifying the economy of the state;
(2)  eliminating unemployment and underemployment;
(3) providing quality residential housing; and
(4) developing or expanding transportation and commerce.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect:
(1) the district's organization, existence, or validity;
(2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;
(3) the district's right to impose or collect an assessment, ad valorem taxes, or any other revenue; or
(4) the legality or operation of the board.
Sec. 3952.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3952.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring May 31 of each even-numbered year.

Sec. 3952.052. QUALIFICATIONS. (a) To be qualified to serve as a director appointed by the governing body of the city, a person must be:

(1) a resident of the city who is also a registered voter of the city;
(2) an owner of property in the district; or
(3) an agent, employee, or tenant of a person described by Subdivision (2).

(b) A person who is an agent, employee, or tenant of Hawkins Midlothian Development, LLC, is not qualified to be appointed as a director solely because the person is an agent, employee, or tenant of that corporation if the corporation does not own property in the district.

(c) Section 49.052, Water Code, does not apply to the district.
Sec. 3952.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors from a list of names recommended by the board as provided by Section 375.064, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.054. EX OFFICIO DIRECTORS. (a) The following persons serve ex officio as nonvoting directors:

(1) the city manager of the city; and

(2) the chief financial officer of the city.

(b) An ex officio director is entitled to notice of board meetings and to speak on a matter before the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.055. VACANCY. The governing body of the city shall fill a vacancy on the board for the remainder of the unexpired term in the same manner as the original appointment.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.056. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.
Sec. 3952.058. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses in the manner provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;
(2) actions and activities taken by the district; or
(3) the actions of others acting on behalf of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.060. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.061. CONFLICTS OF INTEREST. Chapter 171, Local Government Code, governs conflicts of interest of directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.062. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
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</table>
(b) The governing body of the city shall stagger the initial directors' terms, with two or three directors' terms expiring May 31, 2018. The remaining directors' terms must expire May 31, 2020.

(c) Section 3952.052 does not apply to this section.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3952.101. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter D or activities in support of or incidental to those projects.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.102. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.103. ROAD DISTRICT POWERS; EXCEPTION. (a) Except as provided by Subsection (b), the district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.

(b) The district may exercise any power granted by this chapter and by Chapter 441, Transportation Code, without regard to any provision or requirement of, or procedure prescribed by, Chapter 441,
Sec. 3952.104. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district; or
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities.

(b) The district may enforce its rules by injunctive relief.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.105. NAME CHANGE; NOTICE. (a) The board by resolution may change the district's name.

(b) The board shall give written notice of a name change to the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.106. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.
SUBCHAPTER D. IMPROVEMENT PROJECTS

Sec. 3952.151. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project or service unless the board determines the project or service:

(1) is necessary to accomplish a public purpose of the district;

(2) complies with the development agreement and consent application or the parties to the development agreement and consent application agree to the project or service, in writing; and

(3) is authorized by an ordinance of the city that consents to the creation of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.152. CITY REQUIREMENTS. (a) An improvement project must comply with any applicable city construction codes and construction ordinances.

(b) The district may not provide, conduct, or authorize any improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.153. ADDITIONAL CITY POWERS REGARDING IMPROVEMENT PROJECTS. (a) Unless the district and the city agree otherwise, the city may:

(1) by ordinance, order, or resolution require that title to all or any portion of an improvement project vest in the city; or

(2) by ordinance, order, or resolution or other directive authorize the district to own, encumber, maintain, and operate an improvement project or convey the project to the city at a later date.

(b) The district shall immediately comply with any city ordinance, order, or resolution adopted under this section.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.
Sec. 3952.154. LAKE. For the purposes of this subchapter, planning, design, construction, improvement, or maintenance of a lake includes work done for drainage, reclamation, or recreation.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. CONTRACTS

Sec. 3952.201. GENERAL CONTRACT POWERS. The district may contract with any person to accomplish any district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.202. CONTRACT TERMS. A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including an obligation to issue a negotiable or nonnegotiable note or warrant payable to the city, the county, or any other person.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.203. REIMBURSEMENT OF COSTS. The district may contract with any person for the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.204. CONTRACT FOR IMPROVEMENT PROJECT. (a) The district may contract with any person for the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a
proposed or existing improvement project.

(b) The district may apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.205. NO FURTHER CONTRACT AUTHORIZATION REQUIRED. Any person, including the city, may contract with the district to carry out the purposes of this chapter without further statutory or other kind of authorization.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

Sec. 3952.251. DEVELOPMENT AGREEMENT AND CONSENT APPLICATION REQUIRED TO BORROW MONEY OR IMPOSE TAXES OR ASSESSMENTS, INCLUDING BONDS. Before the district may issue bonds, impose taxes or assessments, or borrow money, the district must obtain from the city confirmation that the development agreement and consent application are enforceable and no defaults are known.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.252. BORROWING MONEY. The district may borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for a district purpose. The bond, note, credit agreement, or other obligation must be secured by and payable from any combination of ad valorem taxes, assessments, or any other
district revenue.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.253. GENERAL POWERS REGARDING PAYMENT OF DISTRICT BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or debt by:

(1) a lease, installment purchase contract, or other agreement; or

(2) any other revenue or resources of the district or other revenue authorized by the city, including revenue from a tax increment reinvestment zone created by the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.254. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board in the manner provided by Section 375.114, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.255. ASSESSMENTS. (a) The district may impose an assessment on property in the district, if the assessment is authorized by an ordinance of the city, to pay the cost or the cost of maintenance of any authorized district improvement in the manner provided for a district under Subchapters A, E, and F, Chapter 375, Local Government Code.
(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed; and
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(c) The lien of an assessment against property runs with the land. The portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien, and any purchaser of property in a foreclosure of an ad valorem tax lien takes the property subject to the assessment payment obligations that have not yet come due and to the lien and terms of the lien's payment under the applicable assessment ordinance or order.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.256. NONPOTABLE WATER USER CHARGES; CITY APPROVAL. The district may establish user charges for the use of nonpotable water for irrigation purposes, subject to approval of the governing body of the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.257. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including the city or county, all or part of the cost of an improvement project, including an improvement project:

(1) for improving, enhancing, and supporting public safety
and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or

(2) that confers a general benefit on the entire district or a special benefit on a definable part of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER G. TAXES AND BONDS**

Sec. 3952.301. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by competitive bid or negotiated sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.302. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.303. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad
valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.304. ELECTION REQUIRED FOR TAXES OR BONDS. The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.305. TAX RATE. The district's ad valorem tax rate may not exceed 40 cents per $100 valuation.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.306. ISSUER POWERS FOR CERTAIN PUBLIC IMPROVEMENTS. The district may exercise any power of an issuer under Chapter 1371, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

SUBCHAPTER H. DISSOLUTION

Sec. 3952.351. DISSOLUTION BY CITY ORDINANCE. (a) The city by
ordinance may dissolve the district.

(b) The city may not dissolve the district until the district's outstanding debt or contractual obligations have been repaid or discharged, including the defeasance of any outstanding debt issued by the city.

(c) The city may not dissolve the district until the development agreement and consent application have been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.352. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff. June 12, 2017.

Sec. 3952.353. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 645 (H.B. 4347), Sec. 1, eff.
June 12, 2017.

CHAPTER 3953. TELFAIR TRACT 5 COMMERCIAL MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3953.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Sugar Land.
(3) "Director" means a board member.
(4) "District" means the Telfair Tract 5 Commercial Management District.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.002. NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city from providing the level of services provided as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant city services provided in the district.
Sec. 3953.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.
Sec. 3953.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
3. right to impose or collect an assessment or tax; or
4. legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

1. a tax increment reinvestment zone created under Chapter 311, Tax Code;
2. a tax abatement reinvestment zone created under Chapter 312, Tax Code;
3. an enterprise zone created under Chapter 2303, Government Code; or
4. an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project. A project may not receive public funds under Section 380.002(b), Local Government Code, unless the project has been approved by the governing body of the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff.
Sec. 3953.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 3953.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of nine voting directors appointed by the governing body of the city under Section 3953.052 who serve staggered terms of four years with four or five directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may increase or decrease the number of voting directors on the board if the board determines the change is in the best interest of the district. The board may not:

(1) increase the number of voting directors to more than 20; or

(2) decrease the number of voting directors to fewer than nine.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.052. APPOINTMENT OF VOTING DIRECTORS; QUALIFICATIONS. (a) In this section, "city stakeholder" means:

(1) a person who owns property in the city;

(2) an owner of stock or of a partnership interest or
membership interest, whether beneficial or otherwise, of a corporation, corporate partnership, limited liability company, or other entity that owns a direct or indirect interest in property in the city;

(3) an owner of a beneficial interest in a trust that owns a direct or indirect interest in property in the city; or

(4) an agent, employee, or tenant of a person described by Subdivision (1), (2), or (3).

(b) The governing body of the city shall appoint to serve as voting directors the appropriate number of qualified persons. In appointing voting directors, the governing body shall ensure that the resulting board has city stakeholders serving in at least two-thirds of the voting director positions.

(c) In determining persons to serve as voting directors, the governing body shall consider for appointment:

(1) persons recommended by the board; and

(2) a number of persons recommended by any city stakeholder who makes a recommendation and who owns at least seven acres of land inside the district's boundaries, except that the number of persons recommended for consideration by the city stakeholder may not exceed a total of one person for the first seven acres of land the city stakeholder owns and not more than one additional person for each additional 15 acres the city stakeholder owns.

(d) The governing body is not bound by the recommendations of the board or a city stakeholder and may appoint as a voting director any qualified person.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve on the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.054. REMOVAL OF DIRECTORS. (a) The board shall remove a director if the director has missed at least half the meetings scheduled during the preceding 12 months.
(b) A director removed under this section may file a written appeal with the governing body of the city. The governing body may reinstate the director if the body finds that the removal was unwarranted under the circumstances after considering the reasons for the absences.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

For expiration of this section, see Subsection (d).

Sec. 3953.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

<table>
<thead>
<tr>
<th>Pos.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Steve Griffith</td>
</tr>
<tr>
<td>2</td>
<td>Jennifer Brown</td>
</tr>
<tr>
<td>3</td>
<td>Gary Becker</td>
</tr>
<tr>
<td>4</td>
<td>Michael Schiff</td>
</tr>
<tr>
<td>5</td>
<td>Greg Wine</td>
</tr>
<tr>
<td>6</td>
<td>Bob McPherson</td>
</tr>
<tr>
<td>7</td>
<td>Alan Bauer</td>
</tr>
<tr>
<td>8</td>
<td>Dan Whitton</td>
</tr>
<tr>
<td>9</td>
<td>Brandi Coatsworth</td>
</tr>
</tbody>
</table>

(b) Of the initial directors, the terms of directors appointed for positions one through five expire June 1, 2019, and the terms of directors appointed for positions six through nine expire June 1,
2021.

(c) Section 3953.052 does not apply to this section.
(d) This section expires September 1, 2021.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3953.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 372 or 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.103. LOCATION OF IMPROVEMENT PROJECT. An improvement project described by Section 3953.102 may be located:

(1) in the district; or
(2) in an area outside the district if the project is for the purpose of extending a public infrastructure improvement beyond the district's boundaries to a logical terminus.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.
Sec. 3953.104. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.105. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.106. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.107. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required
to reside in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.108. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.109. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party to provide law enforcement services for a fee.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.110. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.111. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services, including for the management of recreational facilities.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.112. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.113. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.
Sec. 3953.114. APPROVAL BY CITY. (a) Except as provided by Subsection (b), the district must obtain the approval of the city for:

(1) the issuance of bonds for an improvement project financed by the bonds if any part of the project is carried out in the corporate limits of the city; and

(2) the plans and specifications of the improvement project financed by the bonds.

(b) If the district obtains the approval of the city's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.115. CONCURRENCE ON ADDITIONAL POWERS. If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city by resolution consents to that change.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.116. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3953.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.
Sec. 3953.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district in the manner provided for:

(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or

(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property
assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.155. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax authorized or approved by the voters of the district or a required payment for a service provided by the district, including water and sewer services.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.156. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of district taxes or assessments on property in the zones.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3953.201. TAX ABATEMENT. The district may enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to a tax abatement agreement by a
municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.202. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3953.204.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.203. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3953.202, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff.
Sec. 3953.204. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.205. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.206. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in
the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER F. DISSOLUTION**

Sec. 3953.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

(b) The city may not dissolve the district until the district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, or the city has affirmatively assumed the obligation to pay the outstanding debt from city revenue.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

Sec. 3953.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments
or other district revenue.

(b) After the district is dissolved, the board shall transfer ownership of all district property to the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 630 (H.B. 4297), Sec. 1, eff. June 12, 2017.

CHAPTER 3954. PRAIRIE RIDGE MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3954.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Grand Prairie, Texas.
(3) "Commission" means the Texas Commission on Environmental Quality.
(4) "Director" means a board member.
(5) "District" means the Prairie Ridge Municipal Management District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce,
transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;

(2) eliminating unemployment and underemployment;

(3) developing or expanding transportation and commerce; and

(4) providing quality residential housing.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street
(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 4 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 4 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to contract;
(3) authority to borrow money or issue bonds or other obligations described by Section 3954.201 or to pay the principal and interest of the bonds or other obligations;
(4) right to impose or collect an assessment or collect other revenue; or
(5) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or
(3) an enterprise zone created under Chapter 2303, Government Code.

(b) If the city creates a tax increment reinvestment zone
described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:

(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and  
(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3954.201.

(c) If the city creates a tax increment reinvestment zone described by Subsection (a), the city may determine the percentage of the property in the zone that may be used for residential purposes and is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.007. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The initial directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.008. CITY CONSENT AND DEVELOPMENT AGREEMENT EXECUTION REQUIRED. The initial directors may not hold an election under Section 3954.007 until the city has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and  
(2) entered into a development agreement with the owners of the real property in the district under Section 212.172, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.
Sec. 3954.009. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.010. CONFLICT WITH REGIONAL WATER DISTRICT. To the extent any authority or power granted to the district conflicts with any authority or power granted to the Tarrant Regional Water District, the authority or power granted to the Tarrant Regional Water District supersedes and controls over the authority or power granted to the district, unless the Tarrant Regional Water District consents to the exercise of the authority or power by the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.011. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3954.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 3954.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.052. INITIAL DIRECTORS. (a) The initial board consists of:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
</table>

Statute text rendered on: 6/18/2019
Initial directors serve until the earlier of:

(1) the date permanent directors are elected under Section 3954.007; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 3954.007 and the terms of the initial directors have expired, successor initial directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 3954.007; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal rolls for the county may submit a petition to the commission requesting that the commission appoint as successor initial directors the five persons named in the petition. The commission shall appoint as successor initial directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.053. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses in the manner provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.
Sec. 3954.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity for the provision, design, construction, acquisition, improvement, relocation, operation, maintenance, or financing of an improvement project or service authorized under this chapter or Chapter 372 or 375, Local Government Code.

(b) An improvement project may be located inside or outside the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.103. ADDING OR REMOVING TERRITORY. (a) Subject to Subsection (b), the board may add or remove territory as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may add territory as described by Subsection (a) only if the district obtains written consent from:

(1) the governing body of the city; and

(2) any public entity that owns facilities for the inter-county transportation of water in the area proposed to be annexed.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.104. EMINENT DOMAIN. The district may exercise the power of eminent domain in the manner and for the purposes provided by Section 49.222, Water Code, except that the district may not acquire by condemnation a property interest or facility owned or controlled by a public entity.
Sec. 3954.105. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.
(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 4 of the Act enacting this chapter.
(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.
(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 3954.007 to confirm the creation of the district.
(f) An order dividing the district must:
(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint initial directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.
(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.
(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 3954.007.
(i) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.
(j) Any new district created by the division of the district
must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 3954.008 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3954.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, maintain, or operate an improvement project or service authorized by this chapter or Chapter 372 or 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.153. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.
Sec. 3954.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district are:

1. a first and prior lien against the property assessed;
2. superior to any other lien or claim other than a lien or claim for county, school district, special district, or municipal ad valorem taxes; and
3. the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

(e) The district may not impose an assessment on property or facilities owned, controlled, or operated by a public entity.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.155. RESIDENTIAL PROPERTY NOT EXEMPT. Sections 375.161 and 375.164, Local Government Code, do not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

**SUBCHAPTER E. TAXES AND BONDS**

Sec. 3954.201. BONDS AND OTHER OBLIGATIONS. (a) The district
may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter J, Chapter 375, Local Government Code.

(b) If the improvements financed by an obligation will be conveyed to or operated and maintained by a municipality or retail utility provider pursuant to an agreement between the district and the municipality or retail utility provider entered into before the issuance of the obligation, the obligation may be issued in the manner provided by Subchapter A, Chapter 372, Local Government Code.

(c) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(d) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue, receives under Section 3954.006(b), or receives from any other source.

(e) The district may issue bonds, notes, or other obligations to maintain or repair an existing improvement project only if the district obtains written consent from the governing body of the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.202. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3954.205.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.
(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.203. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.204. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held under Section 3954.202, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(f), Water Code, does not apply to a reimbursement made for a purpose described by Section 3954.102.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.205. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

SUBCHAPTER F. DISSOLUTION

Sec. 3954.251. DISSOLUTION BY CITY ORDINANCE. (a) The governing body of the city may dissolve the district by ordinance.

(b) The governing body may not dissolve the district until:

(1) water, sanitary, sewer, and drainage improvements and roads have been constructed to serve at least 90 percent of the developable territory of the district; and

(2) the district has reimbursed each party that has an agreement with the district for all costs advanced to or on behalf of the district.

(c) Until the district is dissolved, the district is responsible for all bonds and other obligations of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

Sec. 3954.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than revenue from ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.
Sec. 3954.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue. (b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 804 (H.B. 4303), Sec. 3, eff. September 1, 2017.

CHAPTER 3956. PORT NECHES IMPROVEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3956.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Port Neches.
(3) "County" means Jefferson County.
(4) "Director" means a board member.
(5) "District" means the Port Neches Improvement District.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.002. NATURE OF DISTRICT. The Port Neches Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution. (b) The creation of the district is necessary to promote,
develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty;
(4) provide for road and recreational facilities for the district; and
(5) provide for water, wastewater, drainage, canals, waterways, bulkheads, docks, and other similar improvement facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.005. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3956.051. GOVERNING BODY; TERMS. The district is governed by a board of seven voting directors who serve staggered terms of two years, with three or four directors' terms expiring June 1 of each year.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.052. ELIGIBILITY OF DIRECTORS. A person is eligible to serve as a voting or nonvoting director only if the person is eligible to register to vote under Section 13.001, Election Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.
Sec. 3956.053. APPOINTMENT OF VOTING DIRECTORS. The governing body of the city, including the mayor, shall appoint the voting directors. A person is appointed if a majority of the members of the governing body vote to appoint that person.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.056. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

For expiration of this section, see Subsection (d).
Sec. 3956.057. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following directors:

<table>
<thead>
<tr>
<th>Pos.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>David LeJeune</td>
</tr>
<tr>
<td>2.</td>
<td>Leslie Symmonds</td>
</tr>
<tr>
<td>3.</td>
<td>Olin Clotiaux</td>
</tr>
<tr>
<td>4.</td>
<td>Doug Savant</td>
</tr>
<tr>
<td>5.</td>
<td>Lance Bradley</td>
</tr>
<tr>
<td>6.</td>
<td>Kathy Levingston</td>
</tr>
<tr>
<td>7.</td>
<td>Aspen Hebert</td>
</tr>
</tbody>
</table>

(b) Of the initial directors, the terms of directors appointed for positions one through four expire June 1, 2018, and the terms of directors appointed for positions five through seven expire June 1, 2019.

(c) Section 3956.053 does not apply to this section.

(d) This section expires September 1, 2019.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3956.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.
Sec. 3956.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person. The district shall promptly notify the city of any gift or grant accepted by the district.

(b) The implementation of a project is a governmental function
Sec. 3956.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.108. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.
Sec. 3956.109. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.110. NAVIGATION DISTRICT POWERS. The district has the powers provided by the general law of this state applicable to navigation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 60 and 62, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.111. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

(1) the issuance of bonds or any other obligations, subject to Section 3956.201 or 3956.203;

(2) the plans and specifications of an improvement project financed by bonds; and

(3) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted to or by the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds.

(c) If the district obtains the approval of the city's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

(d) The governing body of the city:

(1) is not required to adopt a resolution or ordinance to approve plans and specifications described by Subsection (a); and

(2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the
involvement of the governing body.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.112. CONSENT OF CITY REQUIRED. The district may not take any of the following actions until the city has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district:

(1) hold an election under Subchapter L, Chapter 375, Local Government Code;
(2) impose an ad valorem tax;
(3) impose an assessment;
(4) issue bonds; or
(5) enter into an agreement to reimburse the costs of facilities.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.113. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3956.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any
improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the...
board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3956.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 3956.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3956.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in
the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

Sec. 3956.206.  MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.  Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay bonds, notes, or other obligations of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 663 (S.B. 2271), Sec. 1, eff. June 12, 2017.

CHAPTER 3957.  FORT BEND COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 2

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 3957.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "County" means Fort Bend County.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Management District No. 2.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.002.  NATURE OF DISTRICT.  The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.003.  PURPOSE; LEGISLATIVE FINDINGS.  (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the county and other political subdivisions to contract with the district, the legislature...
has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant county services provided in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic beauty; and
(4) provide for water, wastewater, drainage, road, and
recreational facilities for the district.
(e) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, parking, and street art objects are parts of and
necessary components of a street and are considered to be a street or
road improvement.
(f) The district will not act as the agent or instrumentality
of any private interest even though the district will benefit many
private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff.
June 12, 2017.

Sec. 3957.005. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act enacting this chapter form a closure. A mistake in the field
notes or in copying the field notes in the legislative process does
not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for
which the district is created or to pay the principal of and interest
on bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff.
June 12, 2017.

Sec. 3957.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS
LAW. Except as otherwise provided by this chapter, Chapter 375,
Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff.
June 12, 2017.
Sec. 3957.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3957.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors elected in the manner provided by Sections 49.102 and 49.103, Water Code.
(b) Except as provided by Section 3957.054, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.052. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:
(1) a board position vacant for any reason, including death, resignation, or disqualification; or
(2) a director who is abstaining from participation in a vote because of a conflict of interest.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.053. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.054. TEMPORARY VOTING DIRECTORS. (a) On or after
the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary voting directors the five persons named in the petition. The commission shall appoint the five persons named in the petition as temporary directors by position.

(b) The temporary directors shall hold an election to elect five permanent directors as provided by Section 49.102, Water Code.

(c) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Subsection (b); or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(d) If permanent directors have not been elected under Subsection (b) and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (e) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Subsection (b); or

(2) the fourth anniversary of the date of the appointment or reappointment.

(e) If Subsection (d) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

(f) Section 3957.051 does not apply to this section.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 3957.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.103. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity
consistent with the furtherance of a district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and

(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.107. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff.
Sec. 3957.108. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3957.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.
(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or
assessments on property in the zones.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER E. TAXES AND BONDS**

Sec. 3957.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3957.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3957.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.
Sec. 3957.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 3957.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Sec. 3957.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each
year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER F. DEFINED AREAS**

Sec. 3957.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the defined area or designated property, the board shall hold an election in the defined area or in the designated property only.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.253. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.
Sec. 3957.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3957.253, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.255. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3957.253 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

Sec. 3957.256. ADDITION OR EXCLUSION OF LAND IN DEFINED AREA. The district may add or exclude land from the defined areas in the same manner the district may add or exclude land from the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 635 (H.B. 4320), Sec. 1, eff. June 12, 2017.

SUBCHAPTER G. DISSOLUTION AND MUNICIPAL ANNEXATION

Sec. 3957.301. DISSOLUTION; MUNICIPAL ANNEXATION. (a) The district is a water or sewer district for the purposes of Section 43.071, Local Government Code.

(b) Section 43.075, Local Government Code, applies to the district.

(c) Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.
CHAPTER 3958.  HARRIS COUNTY IMPROVEMENT DISTRICT NO. 25

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 3958.001.  DEFINITIONS.  In this chapter:
(1)  "Board" means the district's board of directors.
(2)  "County" means Harris County.
(3)  "Director" means a board member.
(4)  "District" means the Harris County Improvement District No. 25.

Sec. 3958.002.  CREATION AND NATURE OF DISTRICT.  The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3958.003.  PURPOSE; DECLARATION OF INTENT.  (a)  The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.  By creating the district and in authorizing the county and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b)  The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c)  This chapter and the creation of the district may not be interpreted to relieve the county from providing the level of services provided as of the effective date of the Act enacting this
chapter to the area in the district. The district is created to supplement and not to supplant county services provided in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.
(c) The creation of the district is in the public interest and is essential to further the public purposes of:
   (1) developing and diversifying the economy of the state;
   (2) eliminating unemployment and underemployment; and
   (3) developing or expanding transportation and commerce.
(d) The district will:
   (1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
   (2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
   (3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
   (4) provide for water, wastewater, drainage, road, and recreational facilities for the district.
(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.
(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many
private interests as well as the public.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 3958.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than nine voting directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.
Sec. 3958.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

For expiration of this section, see Subsection (d).

Sec. 3958.056. INITIAL VOTING DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as initial voting directors the five persons named in the petition. The commission shall appoint the five persons named in the petition as initial directors by position.

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2019, and the terms of directors appointed for positions four and five expire June 1, 2021.

(c) Section 3958.052 does not apply to this section.

(d) This section expires September 1, 2021.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3958.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any
money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.
Sec. 3958.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
Sec. 3958.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are part of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.111. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3958.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board
by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3958.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3958.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be
submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3958.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;
(2) construct or acquire improvements; or
(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms
determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

Sec. 3958.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.

SUBCHAPTER F. MUNICIPAL ANNEXATION AND DISSOLUTION

Sec. 3958.251. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The district is a "water or sewer district" under Section 43.071, Local Government Code.

(b) Section 43.075, Local Government Code, applies to the district.

(c) Section 375.264, Local Government Code, does not apply to the dissolution of the district by a municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 636 (H.B. 4321), Sec. 1, eff. June 12, 2017.
CHAPTER 3960. BEAUMONT MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3960.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Beaumont.
(3) "County" means Jefferson County.
(4) "Director" means a board member.
(5) "District" means the Beaumont Municipal Management District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.002. NATURE OF DISTRICT. The Beaumont Municipal Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city or county services provided in the district.
Sec. 3960.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

1. developing and diversifying the economy of the state;
2. eliminating unemployment and underemployment; and
3. developing or expanding transportation and commerce.

(d) The district will:

1. promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
2. provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;
3. promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and
4. provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.
Sec. 3960.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
(3) an enterprise zone created under Chapter 2303, Government Code; or
(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff.
Sec. 3960.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3960.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than nine voting directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.052. APPOINTMENT OF VOTING DIRECTORS. The mayor and members of the governing body of the city shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.
Sec. 3960.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

<table>
<thead>
<tr>
<th>Pos. No.</th>
<th>Name of Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>William Jenkins</td>
</tr>
<tr>
<td>2</td>
<td>Bradford Klein</td>
</tr>
<tr>
<td>3</td>
<td>Craig Kinsel</td>
</tr>
<tr>
<td>4</td>
<td>Vivian Pieternelle</td>
</tr>
<tr>
<td>5</td>
<td>David Willard</td>
</tr>
</tbody>
</table>

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2019, and the terms of directors appointed for positions four and five expire June 1, 2021.

(c) Section 3960.052 does not apply to this section.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 3960.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service
authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.108. ECONOMIC DEVELOPMENT. (a) The district may
engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and
(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff.
June 12, 2017.

Sec. 3960.111. APPROVAL BY CITY. Section 375.207, Local Government Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS**

Sec. 3960.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.
(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or
assessment on property in the zones.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER E. TAXES AND BONDS**

Sec. 3960.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3960.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3960.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.
Sec. 3960.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

Sec. 3960.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.
Sec. 3960.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 634 (H.B. 4315), Sec. 1, eff. June 12, 2017.

SUBTITLE D. PARKS AND RECREATION
CHAPTER 4501. TEXAS STATE RAILROAD AUTHORITY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 4501.001. DEFINITIONS. In this chapter:
(1) "Authority" means the Texas State Railroad Authority.
(2) "Board" means the authority's board of directors.
(3) "Director" means a board member.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.002. CREATION AND NATURE OF AUTHORITY. The Texas State Railroad Authority is a special district created under Section 59, Article XVI, Texas Constitution, for the development of parks and recreational facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.003. PURPOSES OF AUTHORITY. (a) The authority is created to:
(1) purchase, own, hold, lease, and otherwise acquire facilities or other property to operate and maintain the Texas State Railroad;
(2) continue and improve the operation of the Texas State Railroad as a public recreational, historical, and cultural resource;
(3) operate concessions, museums, campgrounds, and other facilities associated with the Texas State Railroad; and
(4) enhance, augment, and improve the historical, educational, and cultural benefits offered by the Texas State Railroad.

(b) The creation of the authority is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, tourism, recreation, the arts, entertainment, economic development, and public welfare in Anderson and Cherokee Counties.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The authority is created to serve a public use and benefit.

(b) All residents of this state will benefit from the works and projects provided by the authority.

(c) The creation of the authority is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop and expand commerce, tourism, recreation, historical awareness, education, and the arts.

(d) The authority will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in Anderson and Cherokee Counties;

(2) preserve, maintain, and enhance the Texas State Railroad; and

(3) preserve, maintain, and enhance the economic health and vitality of Anderson and Cherokee Counties.

(e) The authority may not act as the agent or instrumentality of any private interest, even though the authority will incidentally benefit many private interests in addition to the paramount public interest.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.
Sec. 4501.005. GENERAL WATER DISTRICT LAW NOT APPLICABLE. Chapter 49, Water Code, does not apply to the authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 4501.051. GOVERNING BODY; TERMS. (a) The authority is governed by a board of seven voting directors appointed under Section 4501.053, with three directors appointed by the City of Palestine, three directors appointed by the City of Rusk, and one director appointed by the other directors.

(b) Voting directors serve staggered three-year terms, with:
   (1) as near as possible to one-third of the terms of directors appointed by each city or other political subdivision expiring September 1 of each year; and
   (2) the term of the director appointed by the other directors expiring October 1 of each third year.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.052. ELIGIBILITY. (a) To be qualified to serve as a director, a person must be at least 21 years of age.

(b) A voting director may not serve more than three consecutive terms.

(c) At least two of the three directors appointed by:
   (1) the City of Palestine must reside in Anderson County;
   and
   (2) the City of Rusk must reside in Cherokee County.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.053. APPOINTMENT OF DIRECTORS. (a) Not later than August 31 of each year, by majority vote:

   (1) the city council of the City of Palestine shall appoint as a voting director one person proposed by the mayor of Palestine;
and

(2) the city council of the City of Rusk shall appoint as a voting director one person proposed by the mayor of Rusk.

(b) Not later than September 30 of every third year, by majority vote, the directors appointed under Subsection (a) shall appoint a seventh director.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.054. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the mayor of the City of Palestine or a member of the city council of the City of Palestine designated by the mayor; and

(2) the mayor of the City of Rusk or a member of the city council of the City of Rusk designated by the mayor.

(b) A nonvoting director is not counted in determining the board quorum.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.055. VACANCIES. A board vacancy is filled in the same manner as the original appointment.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.056. VOTING AUTHORITY OF PRESIDENT. The board president is a voting director but may vote only to break a tie. All other voting directors are entitled to one vote on any issue before the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.057. OFFICERS. (a) Each year, the board shall elect
from among the voting directors officers for the authority, including a president, a vice president, a secretary, and a treasurer.

(b) The president and the vice president may not be directors appointed by the same city.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 4501.101. GENERAL POWERS. The authority has the powers necessary to accomplish any authority purpose, including the purposes specified in Section 4501.003.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.102. CONTRACT TO MANAGE OR OPERATE AUTHORITY PROPERTY. The authority may contract with any person to manage or operate all or part of authority property.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.103. COMPETITIVE BIDDING. (a) Except as provided by Subsection (b), the competitive bidding requirements for a municipality under Chapter 252, Local Government Code, apply to the authority.

(b) A contract with a private person under Section 4501.102 or 4501.104(2) is exempt from the competitive bidding requirements of Chapter 252, Local Government Code, or any other statute if the contract:

1. is entered into before the effective date of the Act creating this chapter;
2. is conditioned on the passage of the Act creating this chapter; and
3. is assigned by a party to the contract after the effective date of the Act creating this chapter.
Sec. 4501.104. GENERAL PROPERTY POWERS. The authority may:
(1) acquire, own, lease, operate, construct, maintain, repair, improve, or extend improvements, equipment, or any other property necessary to accomplish an authority purpose; or
(2) lease or otherwise convey authority property to private parties for an authority purpose.

Sec. 4501.105. CONDITIONAL TRANSFER OF PROPERTY. (a) A conveyance of authority property, including a lease, to a private operator or any other person must be conditioned on an obligation that the property must be used as provided by this section.
(b) The conveyance must provide that ownership of authority property automatically reverts to the Parks and Wildlife Department if the authority or a private operator:
(1) does not use the property:
   (A) to support the operations of the Texas State Railroad; or
   (B) in a manner that primarily promotes a state public interest; or
(2) converts the Texas State Railroad to a static display.

Sec. 4501.106. SURPLUS PROPERTY. The authority, with the consent of the Parks and Wildlife Department, may dispose of surplus property, including by exchanging the surplus property with another person for other property, to improve the quality and usefulness of property used by the authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.
Sec. 4501.107. DISPOSITION OF PUBLIC PARKS AND RECREATIONAL LANDS; EXEMPTION FROM APPLICABILITY OF OTHER LAW. Chapter 253, Local Government Code, and Chapter 26, Parks and Wildlife Code, do not apply to the use, transfer, or other disposition of property by any method:

(1) to the authority by any person; or

(2) by the authority to any person.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.108. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist the authority in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.109. AUTHORITY TO SUE AND BE SUED; IMMUNITY. (a) The authority may sue and be sued in this state.

(b) This section does not waive any governmental immunity that would otherwise apply to the authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 4501.151. AD VALOREM TAXES PROHIBITED. The authority may not impose an ad valorem tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff.
Sec. 4501.152. GRANTS; DONATIONS. The authority may accept grants and donations, including property, for any authority purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.153. GRANTS FROM OTHER TAXING AUTHORITY; CONTRACT.
(a) A taxing authority in Anderson or Cherokee County may by contract grant to the authority:
   (1) sales tax revenue received from a sale made on property owned, controlled, or leased by the authority or by a person with whom the authority contracts under Section 4501.102; or
   (2) local hotel occupancy tax revenue received from a hotel located within one mile of a place where the Texas State Railroad loads or unloads passengers.
(b) The grant must serve a public purpose of the taxing authority making the grant.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

SUBCHAPTER E. DISSOLUTION

Sec. 4501.201. DISSOLUTION OF AUTHORITY; OUTSTANDING DEBT. (a) The board may dissolve the authority regardless of whether the authority has debt.
(b) If the authority has debt when it is dissolved, the authority shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

TITLE 5. TRANSPORTATION
SUBTITLE A. NAVIGATION DISTRICTS AND PORT AUTHORITIES
CHAPTER 5001. ARANSAS COUNTY NAVIGATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5001.001. DEFINITIONS. In this chapter:

(1) "Commission" means the navigation and canal commission of the district.

(2) "Commissioner" means a member of the commission.

(3) "District" means the Aransas County Navigation District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 436 (S.B. 1953), Sec. 2, eff. September 1, 2007.

Sec. 5001.002. NATURE OF DISTRICT. The district is a navigation district operating under Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 5001.003. DISTRICT TERRITORY. The district is composed of all the territory in Aransas County, unless the district territory is modified under:

(1) Section 3 or 3a, Chapter 103, Acts of the 41st Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's Texas Civil Statutes), after May 14, 1949, and before August 30, 1971;

(2) Subchapter H, Chapter 62, Water Code; or

(3) other law.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 5001.004. GOVERNANCE OF DISTRICT. The district is governed by Chapter 62, Water Code, and all statutes relating to a navigation district created under that chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
SUBCHAPTER A-1. COMMISSION

Sec. 5001.021. COMMISSION; TERMS. (a) The district is governed by a commission consisting of five elected commissioners.

(b) Commissioners serve staggered four-year terms of office, with two or three commissioners' terms expiring January 1 of each odd-numbered year.

(c) One commissioner is elected from each Aransas County commissioners precinct and one commissioner is elected from the district at large.

Added by Acts 2007, 80th Leg., R.S., Ch. 436 (S.B. 1953), Sec. 3, eff. September 1, 2007.

Sec. 5001.022. ELECTION OF COMMISSIONERS. On the uniform election date in November of each even-numbered year, the appropriate number of commissioners shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 436 (S.B. 1953), Sec. 3, eff. September 1, 2007.

Sec. 5001.023. COMPENSATION OF COMMISSIONERS. Notwithstanding Section 62.070, Water Code, the commission shall set the amount of the compensation, office and travel expenses, and other allowances for the commissioners, other district officers, and employees who are paid wholly from district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 436 (S.B. 1953), Sec. 3, eff. September 1, 2007.

Sec. 5001.024. NOTICE OF ELECTION. The secretary of the commission shall give notice of an election by posting or publishing the notice for at least 20 days before the date of the election.

Amended by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.0035(b), eff. September 1, 2007.

Sec. 5001.025. VACANCIES. (a) A vacancy in the office of a
commissioner that occurs for any reason shall be filled by the remaining members of the commission except as provided by this section.

(b) If three or more vacancies in commissioners' offices occur at the same time, a special election may be called as provided by Section 62.066, Water Code.

Amended by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.0035(b), eff. September 1, 2007.

Sec. 5001.026. REMOVAL FROM OFFICE. (a) A commissioner may be removed from office for malfeasance or nonfeasance in office by unanimous vote of the commissioners court of Aransas County after a hearing.

(b) Appeal from a judgment of removal may be taken to a district court in Aransas County. The court shall try the case de novo.

Amended by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.0035(b), eff. September 1, 2007.

SUBCHAPTER B. DISTRICT PROMOTION AND DEVELOPMENT FUND

Sec. 5001.051. DEFINITION. In this subchapter, "fund" means a promotion and development fund created by the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 436 (S.B. 1953), Sec. 4, eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.0035(c), eff. September 1, 2007.

Sec. 5001.052. AUTHORITY TO CREATE FUND. The district may create a promotion and development fund.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 5001.053. LIMITATION ON DEPOSITS TO FUND. The district may deposit to the credit of the fund not more than five percent of its gross income from operations in a calendar year.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 5001.054. SEPARATE FUND. (a) Money in the promotion and development fund shall be kept separate from all other funds and accounts of the district.

(b) Money derived from the imposition of taxes may not be deposited to the credit of the fund.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 5001.055. AUTHORIZED EXPENDITURES OF MONEY IN FUND. Money in the fund may be spent by the commission, or as the commission may direct, to pay any expense connected with:

(1) an activity or matter incidental to the advertising, development, or promotion of the district or a port, waterway, harbor, or terminal of the district;

(2) the furtherance of the general welfare of the district or a facility of the district; or

(3) the improvement of the district's relations with a steamship or rail line, a shipper, a consignee of freight, a government official, or another person interested or thought to be interested in a port, waterway, harbor, or terminal of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 5001.056. CONTROL OVER FUND AND EXPENDITURES. The commission:

(1) has exclusive control over the fund; and

(2) is fully responsible for auditing, approving, and safeguarding each expenditure of money from the fund.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 5001.057. DUTIES OF COUNTY AUDITOR IN RELATION TO FUND.
(a) The county auditor shall exercise the auditor's usual supervision and control to ensure that the commission complies with Section 5001.053.
(b) The county auditor may not audit expenditures from the fund but is entitled to receive a monthly statement that shows with respect to each expenditure:

1. the date of the expenditure;
2. the amount of the expenditure;
3. the person or entity who received the expenditure; and
4. the general purpose of the expenditure.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 5001.058. EFFECT OF FUND ON OTHER EXPENDITURES. The creation of the fund or an expenditure of money from the fund does not affect the payment of any expense that is customarily approved, audited, or paid out of the regular funds of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. PROPERTY MANAGEMENT

Sec. 5001.101. PURCHASE OR LEASE OF PROPERTY. The district may purchase or lease property in the same manner as a county.

Added by Acts 2007, 80th Leg., R.S., Ch. 436 (S.B. 1953), Sec. 5, eff. September 1, 2007.

Sec. 5001.102. SECURITY FOR BIDS ON LAND TO BE SOLD. Notwithstanding Section 60.041, Water Code, the commission may determine the amount of the check or bond a bidder must submit with a bid to purchase land from the district to guarantee that the bidder will perform the terms of the purchase bid if it is accepted by the commission.

Added by Acts 2011, 82nd Leg., R.S., Ch. 549 (H.B. 2792), Sec. 1, eff. June 17, 2011.
Sec. 5002.001. DEFINITIONS. In this chapter:
(1) "Board" means the port commission of the district.
(2) "Commissioner" means a port commission member.
(3) "District" means Port Freeport.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.050, eff. September 1, 2009.

Sec. 5002.002. NATURE AND PURPOSE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution, to make improvements for the navigation of inland and coastal waters, and for the preservation and conservation of inland and coastal waters for navigation and for control and distribution of storm and flood waters of rivers and streams in aid of navigation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5002.003. LEGISLATIVE FINDINGS. All property situated in the district and subject to taxation will benefit from the improvements to be constructed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5002.004. DISTRICT TERRITORY. The district is composed of the territory in Brazoria County described by Section 1, Chapter 55, Acts of the 40th Legislature, 1st Called Session, 1927, as that territory may have been modified under:
(1) Section 3, Chapter 103, Acts of the 41st Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's Texas Civil Statutes), on or after May 23, 1929, and before August 30, 1971;
(2) Section 3a, Chapter 103, Acts of the 41st Legislature,
1st Called Session, 1929 (Article 8263a, Vernon's Texas Civil Statutes), on or after May 16, 1951, and before August 30, 1971;
   (3) Subchapter H, Chapter 62, Water Code; or
   (4) other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5002.051.  PORT COMMISSION; TERM; ELECTION.  (a) The district is governed by an elected board consisting of six commissioners.
   (b) Commissioners serve staggered six-year terms.
   (c) An election shall be held in the district every two years to elect two commissioners.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.051, eff. September 1, 2009.

Sec. 5002.052.  NAVIGATION PRECINCTS.  For the purpose of electing commissioners, the district is divided into four navigation precincts. The boundaries of the navigation precincts are described by Section 4a, Chapter 55, Acts of the 40th Legislature, 1st Called Session, 1927.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5002.053.  ELECTION BY POSITION; QUALIFICATIONS.  (a) Commissioners are elected by position as follows:
   (1) the commissioner elected for Position 1 is at large and must reside in the district;
   (2) the commissioners elected for Positions 2 and 3 must reside in Navigation Precinct No. 1;
   (3) the commissioner elected for Position 4 must reside in
Navigation Precinct No. 2;

(4) the commissioner elected for Position 5 must reside in Navigation Precinct No. 3; and

(5) the commissioner elected for Position 6 must reside in Navigation Precinct No. 4.

(b) Each commissioner must be a qualified voter of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5002.054. PLACING CANDIDATE ON BALLOT. A request for placing the name of a candidate on the ballot must be filed with the board's presiding officer and be:

(1) in writing and signed by the candidate; or

(2) in the form of a petition signed by at least 25 qualified voters of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5002.055. ELECTION ADMINISTRATION; NOTICE OF ELECTION.
(a) The board shall make arrangements for each election.

(b) Notice of the election, signed by the board's presiding officer or secretary, must be published once a week for two consecutive weeks in a newspaper of general circulation within the district. The first publication must occur not later than the 14th day before the date of the election.

(c) All district voters may vote for candidates for commissioner in all navigation precincts.

(d) The board shall declare the results of each election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5002.056. DATE COMMISSIONER TAKES OFFICE. A commissioner shall take office on the appropriate date following the person's election.
Sec. 5002.057. BOND. As a qualification for office, a commissioner must post a bond in the amount of $10,000 that is:
(1) executed by the commissioner and by two solvent sureties or by a surety company authorized to do business in this state; and
(2) approved by the county judge of Brazoria County.

Sec. 5002.058. VACANCIES. (a) Except as otherwise provided by this section, if a vacancy occurs in the office of commissioner, the board shall appoint a commissioner for the remainder of the unexpired term.
(b) If more than two vacancies occur at the same time, the remaining commissioners shall call a special election to fill the vacancies.
(c) If the remaining commissioners fail to call the election within 15 days after the date the vacancies occur, the judge or judges of the district court or courts of the judicial district in which the district is located, on the petition of a voter or creditor of the district, may:
(1) order that an election be held, specifying the date of the election;
(2) order the Brazoria County clerk to publish notice of the election; and
(3) name the officers to hold the election.
(d) The returns of an election held by order of the district judge or judges shall be made and filed in the office of the clerk of the district court, and the clerk of the district court shall declare the result of the election.
Sec. 5002.059. DISTRICT TREASURER. (a) The board shall appoint from time to time a person to serve in the office of district treasurer.

(b) The district treasurer shall perform the duties for the district that were performed before September 1, 1999, by the county treasurer of Brazoria County.

(c) Before receiving district money from any source, the district treasurer shall execute a good and sufficient bond payable to the board for the benefit of the district in an amount set by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 5002.101. DEPOSITORY. (a) The board by resolution shall designate a bank in Brazoria County as the district's depository.

(b) The designated bank serves as the depository for a term of two years and until a successor depository has been selected.

(c) All money of the district shall be secured in the manner provided for the security of county funds.

(d) The tax assessor and collector for Brazoria County or another official performing the duties of tax assessor and collector for the district shall:

(1) deposit all taxes collected for the district in the depository bank designated as depository for Brazoria County; and

(2) promptly transfer and deposit the money to the district's account in the district's depository.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5002.102. MAINTENANCE OF BOOKS, RECORDS, AND ACCOUNTS. The district shall maintain the books, records, and accounts of the district. The Brazoria County treasurer is not required to maintain any books, records, or accounts for the district other than as required by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04,
CHAPTER 5003. CALHOUN PORT AUTHORITY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5003.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of navigation commissioners of the port authority.
(2) "Commissioner" means a board member.
(3) "Port authority" means the Calhoun Port Authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.053, eff. September 1, 2009.

Sec. 5003.002. NATURE AND PURPOSE OF PORT AUTHORITY. The port authority is a navigation district. To the extent authorized by this chapter, the port authority is created to:
(1) improve navigation in the port authority; and
(2) maintain, develop, extend, and improve port facilities and wharf and dock facilities in the port authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.054, eff. September 1, 2009.

Sec. 5003.003. LEGISLATIVE FINDINGS. (a) The creation of the port authority is essential:
(1) to accomplish the purposes of Section 59, Article XVI, Texas Constitution;
(2) to the general welfare of this state; and
(3) for the development of marine shipping.
(b) All property in the port authority benefits from the creation of the port authority by the improvements to be constructed or acquired by the port authority in carrying out the port
authority's purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
    Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.055, eff. September 1, 2009.

Sec. 5003.004. PORT AUTHORITY TERRITORY. The port authority is composed of all the territory of Calhoun County, including all land and water areas of the county:
(1) except for territory included in the West Side Calhoun County Navigation District as described in Volume H, pages 568-570, of the minutes of the Commissioners Court of Calhoun County; and
(2) as that territory may have been modified under:
    (A) Section 3 or Section 3a, Chapter 103, Acts of the 41st Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's Texas Civil Statutes), before August 30, 1971;
    (B) Subchapter H, Chapter 62, Water Code; or
    (C) other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
    Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.056, eff. September 1, 2009.

**SUBCHAPTER B. PORT AUTHORITY ADMINISTRATION**

Sec. 5003.051. BOARD OF NAVIGATION COMMISSIONERS. The port authority is governed by a board of six commissioners.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
    Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.058, eff. September 1, 2009.

Sec. 5003.052. NAVIGATION PRECINCTS. (a) The board shall from
time to time divide the port authority into six navigation commissioner precincts that are:

(1) compact and contiguous; and
(2) as nearly as practicable, of equal population.

(b) The board shall complete any division of the port authority into new precincts not later than the 90th day before the date of the first election of commissioners from those precincts.

(c) The voters of each precinct, in accordance with this subchapter, shall elect one commissioner.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
    Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.059, eff. September 1, 2009.

Sec. 5003.053. ELECTION; TERMS. (a) The six commissioners elected at the first election after a division of the port authority into new precincts under Section 5003.052 shall draw lots after the election to select three commissioners to serve two-year terms and three commissioners to serve four-year terms. Successor commissioners serve terms as provided by Subsection (b).

(b) Except as provided by Subsection (a), commissioners are elected for staggered four-year terms at elections held each odd-numbered year on the uniform election date in May.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
    Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.060, eff. September 1, 2009.

Sec. 5003.054. PLACING CANDIDATE ON BALLOT; QUALIFICATIONS.
(a) A person qualified under this section to be a candidate for the office of commissioner may file an application with the board to have the person's name placed on the ballot. The application must be filed not later than 5 p.m. of the 45th day before the election date for that office.

(b) The application must include an affidavit made by the
applicant under oath disclosing that the applicant is:

   (1) a bona fide resident of the precinct that the person
   seeks to represent; and
   (2) a qualified voter who owns real property in the area.
   (c) If the application is timely filed in proper form, the
   board shall place the applicant's name on the official ballot.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5003.055. VACANCY. (a) If a vacancy occurs on the board, a majority of the remaining commissioners shall appoint a successor to fill the vacancy for the remainder of the unexpired term.

(b) For purposes of this chapter, the successor commissioner is treated as an elected commissioner.

(c) The legislature finds that it is in the best interest of public welfare, general benefit, and the assurance of proper development of marine shipping that:

   (1) the commissioners be representatives of all areas of the port authority; and
   (2) if a commissioner no longer resides in the precinct from which elected, the commissioner's office is vacant.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.061, eff. September 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 5003.101. GENERAL NAVIGATION DISTRICT POWERS. The port authority and the board, except as specifically restricted by this chapter, have the powers of government and may exercise the rights, powers, duties, privileges, and functions conferred by Chapter 60, 61, 62, or 63, Water Code, on a navigation district created under Section 59, Article XVI, Texas Constitution, that are appropriate to the accomplishment of the purposes stated in Subchapter A.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04.
Sec. 5003.102. AD VALOREM TAXES; BOND ELECTION. (a) If authorized by a majority vote of the port authority voters voting at an election held in the manner provided for a bond election under Subchapter F, Chapter 62, Water Code, the Commissioners Court of Calhoun County may:

1. impose maintenance taxes; or
2. issue tax bonds and impose taxes to pay for the bonds.

(b) The commissioners court shall impose the tax for:
1. the maintenance of the port authority and its property, including facilities; and
2. the payment of the principal of and interest on all bonds or other indebtedness issued by the port authority.

(c) The maximum tax rate for both maintenance and indebtedness purposes may not exceed a total of 15 cents on each $100 of taxable property in the port authority.

(d) The Calhoun County tax assessor-collector shall assess and collect taxes imposed under this section.

Sec. 5003.103. CHANGE OF PORT AUTHORITY NOT AUTHORIZED. The board may not by a vote change the port authority from a navigation district to any other type of district authorized by general law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.063, eff. September 1, 2009.
Sec. 5003.104. LIMIT ON EMINENT DOMAIN POWER. The port authority may not exercise the power of eminent domain outside Calhoun County in an area in another navigation district without the consent of the other district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.065, eff. September 1, 2009.

Sec. 5003.105. AUTHORITY TO DESIGNATE INDUSTRIAL AREAS OR PLANT SITES; FINDINGS. (a) The board may adopt an order or resolution designating an area of land in the port authority that fronts on navigable water in the port authority as an industrial area or plant site for the aid of navigation. A defined area may not:
   (1) be located in the corporate limits of a municipality; or
   (2) exceed 1,000 yards in depth as measured from the shoreline.

(b) A certified copy of an order or resolution adopted under Subsection (a) shall be filed and recorded in the deed records of Calhoun County. After the copy is filed, a municipality may not include any part of the defined area in its boundaries.

(c) The board may adopt an order or resolution that removes all or part of a defined area from that designation if the board determines that:
   (1) the area is not suitable for or being used as an industrial area or plant site;
   (2) the area will not be suitable for or used as an industrial area or plant site within a reasonable time; and
   (3) the continued designation does not aid navigation.

(d) A certified copy of an order or resolution adopted under Subsection (c) shall be filed and recorded in the deed records of Calhoun County. After the copy is filed, any restriction imposed under this section by the previous designation on the area is removed.

(e) The legislature finds that the powers granted and restrictions imposed by this section are necessary:
for the proper exercise by the port authority of the powers granted by Section 59, Article XVI, Texas Constitution, and by this chapter; and

(2) to promote and effect the navigation of the inland and coastal waters of the state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.066, eff. September 1, 2009.

CHAPTER 5004. CYPRESS VALLEY NAVIGATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5004.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Cypress Valley Navigation District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.002. NATURE OF DISTRICT. The district is a navigation, conservation, and reclamation district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.003. LEGISLATIVE FINDINGS. (a) All land included in the district will benefit from the exercise of the power conferred by this chapter.

(b) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.
Sec. 5004.004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.005. DISTRICT TERRITORY. The district is composed of all the territory in the watershed of the Cypress River and its tributaries in Harrison and Marion Counties as shown by the state contour maps on file in the office of the Texas Commission on Environmental Quality, unless the district's territory is modified under:

(1) Section 3 or 3a, Chapter 103, Acts of the 41st Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's Texas Civil Statutes), after August 30, 1965, and before August 30, 1971;
(2) Subchapter H, Chapter 62, Water Code; or
(3) other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.006. EFFECT OF CHAPTER ON NORTHEAST TEXAS MUNICIPAL WATER DISTRICT. It is recognized that the district boundaries described by Section 5004.005 partly overlap an area in the Northeast Texas Municipal Water District as created by Chapter 78, Acts of the 53rd Legislature, Regular Session, 1953 (Article 8280-147, Vernon's Texas Civil Statutes). This chapter does not alter in any manner the rights, duties, privileges, powers, or immunities of that district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 5004.051. COMPOSITION OF BOARD; TERMS. (a) All powers of the district shall be exercised by a board consisting of 10 directors.

(b) Directors serve staggered terms of two years, with the terms of:
(1) four directors expiring January 1 of even-numbered
   years; and
(2) six directors expiring January 1 of odd-numbered years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04,
   eff. April 1, 2009.

Sec. 5004.052. QUALIFICATIONS FOR OFFICE. To be eligible for
   appointment and to serve as a director, a person must:
   (1) be at least 18 years of age;
   (2) reside in the district and in Harrison or Marion
       County; and
   (3) possess the qualifications of a juror.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04,
   eff. April 1, 2009.

Sec. 5004.053. APPOINTMENT OF DIRECTORS. At least 10 but not
   more than 30 days before the date on which a director's term of
   office expires, the commissioners court of the county of residence of
   the retiring director shall designate a successor.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04,
   eff. April 1, 2009.

Sec. 5004.054. BOND. (a) Before assuming the director's
   duties, each director shall execute a good and sufficient bond in the
   amount of $1,000, payable to the county judges of Harrison and Marion
   Counties, for the use and benefit of the district conditioned on the
   faithful performance of the director's duties.
   (b) The district shall pay the cost of the bond.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04,
   eff. April 1, 2009.

Sec. 5004.055. FILING OF OATH. Before assuming the duties of
   office, each director shall file with the board secretary-treasurer a
copy of the constitutional oath of office taken by the director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.056. VACANCIES. If a vacancy occurs on the board, the commissioners court of the county of residence of the retiring director shall fill the vacancy by appointment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.057. COMPENSATION; EXPENSES. (a) A director may not be paid for services as a director or as a member of a committee authorized by the board.

(b) A director may be reimbursed for actual expenses incurred by the director in performing a service for the district but only from money raised in the director's county of residence.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.058. REMOVAL FROM OFFICE. (a) A director or officer is subject to removal or suspension from office by the affirmative vote of 10 directors for incompetence, official misconduct, official gross negligence, habitual drunkenness, or nonattendance at six consecutive regular meetings of the board.

(b) A director or officer may not be removed or suspended from office until written charges are filed against the director or officer and the director or officer is given an opportunity for a fair hearing before the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.059. OFFICERS. (a) At the first board meeting in January of each odd-numbered year, the board shall appoint by board
majority:
(1) from the directors, a presiding officer, an assistant presiding officer, and a secretary-treasurer; and
(2) if considered proper, an assistant secretary and an assistant treasurer.

(b) The assistant secretary and assistant treasurer:
(1) are not required to be directors; and
(2) may be granted limited powers by the bylaws.

(c) Officers serve two-year terms, except that the assistant secretary and assistant treasurer, if appointed, hold office at the pleasure of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.060. MEETINGS. (a) All regular and special board meetings shall be held as provided for by the bylaws.

(b) Notice of all regular and special board meetings shall be given as required by the bylaws.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 5004.101. GENERAL POWERS AND DUTIES. The district has:
(1) the powers of government and the authority to exercise the rights, privileges, and functions provided by this chapter; and
(2) all powers, rights, privileges, and functions conferred on navigation districts created under Section 59, Article XVI, Texas Constitution, and conferred on navigation districts by general law, except as expressly limited by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.102. POWERS REGARDING CANALS, PORTS, WATERWAYS, AND FACILITIES. The district may:
(1) promote, construct, maintain, operate, make
practicable, aid, and encourage the construction, maintenance, and operation of navigable canals or waterways and all navigational systems or facilities auxiliary to navigable canals or waterways, using the natural bed and banks of the Cypress River and its tributaries and of Caddo Lake where practicable;

(2) acquire, improve, extend, take over, construct, maintain, repair, operate, develop, and regulate ports, levees, wharves, docks, locks, warehouses, grain elevators, dumping facilities, aids to navigation, or aids consistent with or necessary to the operation or development of ports or waterways within the district; and

(3) construct, extend, improve, repair, maintain, reconstruct, own, use, and operate any facility of any kind necessary or convenient to the exercise of the powers, rights, privileges, and functions granted by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.103. BYLAWS AND RULES. The district may adopt bylaws and rules for the management, control, and regulation of its affairs.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.104. GIFT OR PURCHASE OF PROPERTY; EMINENT DOMAIN.
(a) In this section, "property" means property of any kind, including a lighter, tug, barge, or other floating equipment of any nature.

(b) If necessary or convenient to exercising a power, right, privilege, or function conferred on the district by this chapter, the district:

(1) by gift or purchase may acquire property or an interest in property that is inside or outside the district boundaries; or

(2) by exercising the power of eminent domain may acquire property or an interest in property that is inside the district boundaries.

(c) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the
district is not required to give bond for appeal or bond for costs in any judicial proceeding.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.105. SURPLUS PROPERTY. The district may sell or otherwise dispose of property or an interest in property of any kind that is not considered necessary to carrying on the business of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.106. GENERAL AUTHORITY TO MAKE CONTRACTS AND EXECUTE INSTRUMENTS. The district may make a contract or execute an instrument necessary or convenient to exercising a power, right, privilege, or function conferred on the district by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.107. CONTRACTS WITH UNITED STATES. The district may:

(1) enter into a contract with the United States, including a contract to consummate or aid a navigation project approved or undertaken by the United States; and

(2) assume and become responsible for an obligation of the United States and enter into an agreement with the United States to hold and save the United States free from damages due to the construction and maintenance of navigation works in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.108. AUTHORITY TO SPEND MONEY FOR SEEKING COOPERATION. The district may spend any amount reasonably necessary or expedient for seeking cooperation from the federal government or...
any other person in accomplishing the objects of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.109. COOPERATION WITH OTHER GOVERNMENTAL ENTITIES CONCERNED WITH NAVIGATION ON BIG CYPRESS RIVER. The district shall cooperate with each commission, agency, district, or other governmental entity concerned with navigation on the Big Cypress River to all practical extent.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.110. EMPLOYMENT OF OFFICERS AND EMPLOYEES. The district may employ, prescribe the duties of, and set the compensation of officers, attorneys, agents, and employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.111. PERMITS. The district shall obtain from the Texas Commission on Environmental Quality any permit required by general law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.112. AUTHORITY TO SUE AND BE SUED. The district may sue and be sued in its corporate name.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.113. SEAL. The district may adopt and use a corporate seal.
Sec. 5004.114. RED RIVER COMPACT. The district shall comply with the Red River Compact. The creation of the district does not affect the compact.

Sec. 5004.151. FORM OF ACCOUNTS; MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The board shall keep complete and accurate accounts conforming to approved methods of bookkeeping.

(b) The accounts and all contracts, documents, and records shall be:

1. kept at the district's office; and
2. open to public inspection at all reasonable times.

Sec. 5004.152. FILING COPIES OF AUDIT REPORT. Copies of the audit report prepared under Subchapter G, Chapter 49, Water Code, as required by Section 60.002 of that code, shall be filed:

1. as required by Section 49.194, Water Code; and
2. with the county clerks of Harrison and Marion Counties.

Sec. 5004.153. PROCEDURE FOR DISTRIBUTION OF MONEY. District money shall be distributed only by check, voucher, draft, order, or other written instrument signed by a person authorized by board resolution to sign the instrument.
Sec. 5004.154. BOND OF CERTAIN OFFICERS, AGENTS, AND EMPLOYEES.  
(a) Each officer, agent, or employee of the district who is charged 
with the collection, custody, or payment of district money shall give 
bond conditioned on the faithful performance of the person's duties 
and accounting for all money and property of the district coming into 
the person's hands. 
(b) The bond must be in a form and manner and with a surety 
authorized to do business in this state approved by the board. 
(c) The district shall pay the premium on the bond and charge 
the premium as an operating expense. 

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, 
eff. April 1, 2009.

Sec. 5004.155. AUTHORITY TO BORROW MONEY, ACCEPT GRANTS, AND 
ISSUE ASSOCIATED REVENUE BONDS. The district may: 
(1) borrow money for its corporate purpose consistent with 
the constitution and general laws of this state; 
(2) borrow money or accept a grant from the United States 
or from a corporation or agency created or designated by the United 
States and, in connection with the loan or grant, enter into any 
agreement the United States or the corporation or agency requires; and 
(3) issue bonds payable from revenue only for the money 
borrowed under this section. 

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, 
eff. April 1, 2009.

Sec. 5004.156. AUTHORITY TO BORROW MONEY FOR CURRENT EXPENSES; 
EVIDENCE OF OBLIGATION. (a) The board may: 
(1) borrow money for current expenses; and 
(2) evidence the borrowed money by notes or warrants 
payable not later than the close of the calendar year for which the 
loan is made. 
(b) The total amount of the notes or warrants may not exceed
the anticipated revenue.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.157. NO AUTHORITY FOR AD VALOREM TAX. This chapter does not authorize the imposition of ad valorem taxes on any property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

**SUBCHAPTER E. BONDS**

Sec. 5004.201. DEFINITION. In this subchapter, "net revenue" means the gross revenue derived from the operation of the improvements and facilities of the district the income of which is pledged to the payment of district bonds less the reasonable expense of maintaining and operating those improvements and facilities, including necessary repair, upkeep, and insurance expenses for those improvements and facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.202. AUTHORITY TO ISSUE BONDS. (a) To provide money for any of the purposes provided by this chapter or other laws relating to navigation districts, the board may:

(1) issue district bonds that are secured solely by a pledge of and payable from the net revenue derived from the operation of all or a designated part of the improvements and facilities of the district then in existence or to be constructed or acquired; or

(2) issue district bonds secured by a pledge of all or part of the proceeds of one or more contracts previously or subsequently made or other revenue or income specified by board resolution.

(b) As long as bonds issued under Subsection (a)(1) are outstanding, the board shall charge and collect fees, tolls, and other charges sufficient to:

(1) pay all maintenance and operation expenses of the
improvements and facilities the income of which is pledged;
(2) pay the interest on the bonds as it accrues;
(3) pay the principal of the bonds as they mature; and
(4) make any other payments prescribed in the bond order or resolution.
(c) All district bonds must be authorized by board resolution or order.
(d) Bonds payable solely from net revenue may be issued without an election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

Sec. 5004.203. PROVISIONS OF BOND RESOLUTION OR ORDER; AUTHORITY TO ADOPT OR EXECUTE OTHER PROCEEDINGS OR INSTRUMENTS. (a) In the resolution or order adopted by the board authorizing the issuance of bonds payable from net revenue or from the proceeds of a contract or contracts, the board may:
(1) provide for the flow of funds and the establishment and maintenance of an interest and sinking fund, reserve funds, and other funds;
(2) make any additional covenants for the bonds, the pledged revenue, and the operation, maintenance, and upkeep of the improvements and facilities the income of which is pledged, including a provision for leasing all or part of the improvements and facilities and the use or pledge of money derived from those leases, as the board considers appropriate;
(3) prohibit the further issuance of bonds or other obligations payable from the pledged net revenue;
(4) reserve the right to issue additional bonds to be secured by a pledge of and payable from the net revenue on a parity with, or subordinate to, the lien and pledge in support of the bonds being issued, subject to any conditions provided by the resolution or order; or
(5) include any other provision or covenant, as determined by the board, that is not prohibited by the Texas Constitution or this chapter.
(b) The board may adopt and execute any other proceeding or instrument necessary or convenient to issue the bonds.
Sec. 5004.204. FORM OF BONDS. District bonds must:
(1) be issued in the district's name;
(2) be signed by the presiding officer; and
(3) be attested by the secretary-treasurer.

Sec. 5004.205. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Sec. 5004.206. USE OF BOND PROCEEDS. The board may appropriate or set aside an amount of proceeds from the sale of any district bonds for:
(1) the payment of interest expected to accrue during construction of the improvements or facilities;
(2) reserve funds; and
(3) expenses incurred and to be incurred in the issuance, sale, and delivery of the bonds.

Sec. 5004.207. REFUNDING BONDS. (a) The board may issue refunding bonds of the district to refund any outstanding district bonds and accrued interest on those bonds.
(b) Refunding bonds may:
(1) be issued to refund more than one series or issue of the outstanding bonds;
(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; and
(3) be secured by other or additional revenue.

(c) Refunding under this section may not impair the contract rights of the holders of any of the outstanding bonds that are not to be refunded.

(d) Refunding bonds must be authorized by board resolution or order and be executed and mature as provided by this chapter for original bonds.

(e) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(f) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution or order authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in the place or places at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.04, eff. April 1, 2009.

CHAPTER 5005. VICTORIA COUNTY NAVIGATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5005.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of navigation and canal commissioners of the Victoria County Navigation District.

(2) "District" means the Victoria County Navigation District.

Added by Acts 2007, 80th Leg., R.S., Ch. 1066 (H.B. 2368), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD

Sec. 5005.051. COMPOSITION OF BOARD. The district is governed by a board of five navigation and canal commissioners appointed by the Commissioners Court of Victoria County.
CHAPTER 5006. MATAGORDA COUNTY NAVIGATION DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5006.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of navigation and canal commissioners of the district.

(2) "Commissioner" means a member of the board.

(3) "District" means the Matagorda County Navigation District No. 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 1066 (H.B. 2368), Sec. 1, eff. June 15, 2007.

Sec. 5006.051. BOARD OF COMMISSIONERS; TERM; ELECTION. (a) The district is governed by a board consisting of five commissioners elected at large.

(b) Commissioners serve staggered six-year terms, with the terms of one or two commissioners expiring on November 30 of each even-numbered year.

(c) An election shall be held in the district every two years on the uniform election date in November to elect one or two commissioners.

Added by Acts 2009, 81st Leg., R.S., Ch. 589 (S.B. 2480), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 5006.051. BOARD OF COMMISSIONERS; TERM; ELECTION. (a) The district is governed by a board consisting of five commissioners elected at large.

(b) Commissioners serve staggered six-year terms, with the terms of one or two commissioners expiring on November 30 of each even-numbered year.

(c) An election shall be held in the district every two years on the uniform election date in November to elect one or two commissioners.

Added by Acts 2009, 81st Leg., R.S., Ch. 589 (S.B. 2480), Sec. 1, eff. June 19, 2009.

CHAPTER 5007. PORT OF HOUSTON AUTHORITY OF HARRIS COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5007.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Port of Houston Authority of Harris County, Texas.

(2) "Executive director" means the executive director of the authority.

(3) "Port commission" means the navigation and canal commission of the authority.
(4) "Port commissioner" means a member of the port commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 1, eff. September 1, 2013.

Sec. 5007.002. CREATION OF DISTRICT; VALIDATION; TERRITORY.

(a) That, effective June 6, 1927, the Harris County Houston Ship Channel Navigation District of Harris County, Texas, in Harris County, as hereinafter described by metes and bounds, is hereby created and established under authority of Article 3, Section 52, of the Constitution of the State of Texas, for the purpose of the development of deep water navigation and the improvement of rivers, bays, creeks, streams, and canals within or adjacent to the authority, including the Houston Ship Channel and dredge material management areas, and to construct and maintain canals or waterways to permit navigation or in aid thereof and for the purpose of and authority to acquire, purchase, undertake, construct, maintain, operate, develop, and regulate wharves, docks, warehouses, grain elevators, bunkering facilities, belt railroads, floating plants, lighterage, lands, dredge material management areas, towing facilities, and all other facilities or aids incident to or necessary to the operation or development of ports or waterways within the authority, including the Houston Ship Channel and dredge material management areas, as provided in Chapter 9 of the Revised Statutes of 1925; and all orders of the Commissioners' Court of Harris County, Texas, and of the Navigation Commissioners, heretofore made in respect to the creation of such authority and the authorization and issuance of the bonds of said authority are hereby in all things ratified, confirmed, and validated.

(b) The authority herenow created and established after consideration of the benefits to the property therein located, is described by metes and bounds as follows, to-wit:-

Beginning at the entrance to Clear Creek into Galveston Bay; thence running up said creek with the line of Galveston and Brazoria Counties to a point on S. G. Haynie's survey 372 varas S. 62 degrees 32 minutes E. from its west line; thence N. 62 degrees 32 minutes W. 12 miles 318 varas to the head of Brays Bayou; thence N. 56 degrees 30 minutes W. 15 miles 1455 1/2 varas to the old crossing of Buffalo...
Bayou; thence with the line of Waller County in a straight line to
the head of creek; thence down the same with its meanders to the San
Jacinto River; thence N. 50 degrees east to the western line of
Liberty County; thence with said line to the head of Cedar Bayou;
thence down said bayou to its mouth; thence following the boundary
line of Harris County to the mouth of Clear Creek, the place of
beginning.

Transferred, redesignated and amended from Local Water Laws, Section
1, Chapter 97, 40S1 by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642 ), Sec. 2, eff. September 1, 2013.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 758 (S.B. 1864), Sec. 1, eff.
June 12, 2017.

Sec. 5007.003.  AUTHORITY TO ISSUE BONDS. The authority is
authorized and empowered to issue in direct conformity with the
Constitution and the laws of this State as and when necessary such
bonds as may be voted from time to time by the voters voting at any
election when called and conducted in direct conformity with the
Constitution and laws of Texas and to issue and sell the same subject
to such provisions of the Constitution and laws of this State as may
be in effect at the time, and subject to the approval of the Attorney
General.

Transferred, redesignated and amended from Local Water Laws, Section
7, Chapter 97, 40S1 by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642 ), Sec. 2, eff. September 1, 2013.

Sec. 5007.004.  GRANT OF TITLE TO CERTAIN ISLANDS AND OTHER
LAND; RELATED POWERS AND DUTIES; RIPARIAN LANDOWNERS; RESERVATION OF
CERTAIN STATE RIGHTS AND POWERS. (a) That all right, title and
interest of the State of Texas, to all lands hereinafter in this
section described, to wit:

All islands and lands owned by the State of Texas, many of which
are subject to overflow, known as Barnes Island, Alexander Island,
Goat Island, Diamond Island and Hog Island in San Jacinto River above
Lynchburg, and certain accretions formed by dredged material
excavated from the channel and forming land attached to or near said
Alexander Island, Hog Island between Goose Creek and Morgan Point, Atkinson Island, and all the submerged lands lying and being situated under the waters of Buffalo Bayou, San Jacinto River, White Oak Bayou, Bray's Bayou, Simms Bayou, Vinces Bayou, Hunting Bayou, Greens Bayou, Carpenters Bayou, Old River, Lost River, Goose Creek and Cedar Bayou, and all other streams within the authority tributary to the Houston Ship Channel, so far up said streams as the State may own same, together with all lands lying and being situated under the waters of Old River, Burnett's Bay, Crystal Lake, Scott's Bay, Peggy's Lake, Black Duck Bay, Tabbs Bay and San Jacinto Bay, and all other tidal flats or overflow land adjacent to or appurtenant to the above mentioned streams within the limits above mentioned except Mitchell's Bay and any area between said bay and the Houston Ship Channel, as now or hereafter located, is hereby granted to the authority, or its successors, for public purposes and for the development of commerce only, in accordance with the following provisions and stipulations herein contained; provided that inasmuch as it is the purpose of this section to grant said lands to the public agency which is developing the Port of Houston, upon the creation by legislation of other public agency which shall supersede the authority as the public agency developing the Port of Houston, the title to said lands shall be transferred from the authority to such public agency, either municipal or State, so provided, such public agency being referred to herein as the successors of the authority.

(b) The authority, or its successors, is hereby granted the right, power and authority to authorize, establish, construct, purchase, own, maintain, equip, regulate, operate and lease wharves, piers, docks, dry docks, marine ways and all other structures and appliances for facilitating or accommodating commerce or navigation, and to dredge out channels, slips and turning basins, and to fill in space between the main land and islands and to fill areas for wharves, piers, docks, dry docks, marine ways and for all other structures and appliances for facilitating and accommodating commerce and navigation, having first secured a permit from the Government of the United States of America as required by Federal law, and to construct, or cause or authorize to be constructed on said wharves, piers, docks, dry docks, marine ways and other structures and appliances for facilitating and accommodating commerce and navigation, or on lands so filled in, any and all elevators,
warehouses, bunkers, railway terminals and sidetracks, or any other facilities or aids whatsoever to navigation or commerce. Said lands shall be used by the authority, or its successors, solely for the establishment, improvement and conduct of a harbor and ship channel and for the construction, maintenance and operation of any facilities or aids whatsoever related to the same, and the authority, or its successors, shall not at any time, grant, convey, give or alien said lands or any part thereof, to any individual, firm or corporation for any purpose whatsoever; provided, that the authority, or its successors, may grant franchises thereon for limited periods of time for wharves, and other public uses and purposes, and may lease said lands and facilities or any part thereof for limited periods for purposes consistent with this chapter, but no wharves, piers or structures of any kind shall be constructed on said lands by anyone save the authority, except under a franchise or lease granted by the authority and in a manner first prescribed by and approved of by the authority or its successors.

(c) For the purpose of carrying out the provisions of this section, the authority, or its successors, is hereby granted the right, power and authority to abate and remove any and all encroachments or structures of any kind now or hereafter existing on said property, save such as may have been constructed under permit from the proper Federal authority, and shall have the right to bring such suit or suits as may be necessary to carry out the provisions of this section to the same extent and as fully and completely as the right to bring such a suit or suits existed in the State prior to the passage hereof.

(d) The purposes and provisions of this section, and the grants, rights and privileges, thereunder to the authority, shall not affect, curtail or abridge the rights or privileges of riparian owners of lands abutting upon the islands and lands subject to overflow, and lands lying under the streams, bays and lakes herein described or referred to, as the same existed under the Common Law or the Constitution or Statutes of Texas as of June 14, 1927, or to deprive riparian land owners of access to such streams, channels or waters.

(e) The State of Texas, may at any time, place the operation of the facilities under Subsection (b) under the supervision of the Railroad Commission of Texas, to insure reasonable wharfage and storage charges.
The right is hereby expressly reserved by the State of Texas to erect on the lands herein conveyed such wharves, piers and buildings for State purposes as may hereafter be authorized by law.

All mines and mineral rights, including oil and gas in and under said lands, together with the right to enter there on for the purpose of development, and the granting of permits to excavate sand, shell or marl and to collect the tax on same, are hereby expressly reserved to the State of Texas; provided necessary or proper access to the lands hereby ceded, together with all improvements heretofore made, or to be made, under any mineral leases issued by the State in connection with mineral rights herein reserved are made a condition of this grant, and are covenants running with the ceded lands; provided further, that leases hereafter made by the State, or operations thereunder in connection with reserved mineral rights shall not interfere with the improvements made, or to be made in the development of the ship channel by the authority, or franchise holders thereunder.

Transferred, redesignated and amended from Local Water Laws, Section 1, Chapter 292, 40R by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 3, eff. September 1, 2013.

Amended by:
Acts 2017, 85th Leg., R.S., Ch. 758 (S.B. 1864), Sec. 2, eff. June 12, 2017.

Sec. 5007.005. RIGHTS OF WAY; EASEMENTS. Nothing in this chapter shall prohibit the authority or its successors from granting to the United States of America such rights-of-way or easements as may be required by it for the construction of channels, basins, dumping grounds, or other allied purposes in connection with any work voluntarily undertaken by the Federal Government, or at the request of the authority or its successors.

Transferred, redesignated and amended from Local Water Laws, Section 8, Chapter 292, 40R by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 3, eff. September 1, 2013.

Sec. 5007.006. REVENUE OBLIGATIONS; CERTAIN POWERS; FEES AND CHARGES; FACILITIES; TAXATION EXEMPTION; REFUNDING BONDS; CERTAIN
BOND PROVISIONS. (a) The authority, in addition to all other powers conferred by law, is hereby given authority and shall hereafter have power in the manner hereinafter provided to acquire, purchase, construct, enlarge, extend, repair, maintain, operate, or develop channels and turning basins, wharves, docks, warehouses, grain elevators, bunkering facilities, railroads, floating plants and facilities, lightering facilities and towing facilities, bulk handling facilities, and everything appurtenant thereto, together with all other facilities or aids incident to or useful in the operation or development of the authority's ports and waterways or in aid of navigation and commerce thereon.

(b) The port commission may covenant to and shall prescribe fees and charges to be collected for the use of those improvements and facilities of the authority (the net revenues of which improvements and facilities are pledged, as hereinafter provided), which fees and charges shall be reasonable and equitable and fully sufficient to produce revenues adequate to pay, and said port commission shall cause to be paid:

1. All expenses necessary to the operation, replacement and maintenance of said improvements and facilities. Such operating and maintenance expenses payable from current revenues shall include the cost of the acquisitions of properties and materials necessary to repair, replace and maintain said improvements and facilities in good condition and operate them efficiently, wages and salaries paid to the employees of the authority in that connection, and such other expenses as may be necessary to the efficient operation of said improvements and facilities.

2. The annual or semiannual interest upon any obligations issued hereunder and payable out of the revenues of said improvements and facilities.

3. The amount required to be paid annually into the sinking fund for the payment of any obligations issued hereunder and payable out of the revenues of said improvements and facilities.

4. The amount or amounts required to be paid in reserve funds or other funds as may be provided for in the proceedings authorizing such obligations, to secure the payment of the obligations issued pursuant to the provisions hereof.

(b-1) Revenues which may be received in excess of those required for the purposes listed in the above Subsection (b) may be used by the port commission to pay the cost of any other authority
improvements or for any other lawful purpose.

(c) The port commission may borrow money from any department or agency of the United States, or from any other source, and in evidence thereof issue the notes, warrants, certificates of indebtedness, negotiable bonds, or other forms of obligation of the authority (heretofore and hereafter referred to as "obligations") payable solely out of the revenues to be derived from said improvements and facilities for any or all of the purposes set forth in Subsection (a).

(d) Such obligations shall not constitute an indebtedness or pledge of the credit of the authority, and the holders thereof shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and such obligations shall contain a recital to that effect. All obligations issued hereunder shall be in registered or coupon form, and if in coupon form may be registerable as to principal only, or as to both principal and interest, shall bear interest at a rate not to exceed the amount allowed by law, payable annually or semiannually, and shall be in such denominations and shall mature serially or at one time not more than forty (40) years from their date in such manner as may be provided by the port commission. Principal of and interest on such obligations shall be made payable at any place or places within or without the State of Texas, and in the discretion of the port commission such obligations may be made callable and/or refundable at the option of the port commission prior to maturity at such premium or premiums as the port commission shall determine. Such obligations shall be signed by the manual or facsimile signatures of the chair of the port commission and the executive director as may be provided in the proceedings authorizing said obligations, and the interest coupons attached thereto may also be executed by the facsimile signatures of such officers. Such obligations shall be sold in such manner and at such times as the port commission shall determine to be expedient and necessary to the interests of the authority, provided, that in no event shall such obligations be sold for a price which will result in an interest yield therefrom of more than the amount allowed by law computed to maturity according to standard bond tables in general use by banks and insurance companies. Any premium or premiums provided for the call or refunding of any bonds issued pursuant to this Section shall not be included in the computation of the maximum interest yield on such bonds. In the event of the
officers whose signatures are on such obligations or coupons shall cease to be such officers before the delivery of such obligations to the purchaser, such signature or signatures, nevertheless, shall be valid and sufficient for all purposes. All obligations issued hereunder shall constitute negotiable instruments under Chapter 3, Business & Commerce Code.

(e) Any obligations issued hereunder may be issued payable from and secured by the pledge of all the revenues derived from the operation of the improvements and facilities of the authority, exclusive of any revenues derived from taxation or assessments, or may be payable from and secured by the pledge of only such revenues as may be derived from the operation of the improvements and facilities acquired or improved with the proceeds of the sale of such obligations, or may be payable from and secured by the pledge of a specified part of the revenues derived from the operation of the improvements and facilities of the authority, all as may be provided in the proceedings authorizing the issuance of such obligations.

(f) In the resolution or order adopted by the port commission authorizing the issuance of any obligations hereunder, the port commission may provide for the flow of funds, the establishment and maintenance of the interest and sinking fund, reserve, and other funds, and may provide for such additional covenants with respect to the obligations and the pledged revenues and the operation, maintenance, and upkeep of those improvements and facilities (the income of which is pledged), including provision for the leasing of all or part of said improvements and facilities and the use or pledge of moneys derived from leases thereon, as it may deem appropriate. Said resolution or order may also prohibit the further issuance of obligations payable from the pledged net revenues, or may reserve the right to issue additional bonds to be secured by a pledge of and payable from said net revenues on a parity with, or subordinate to, the lien and pledge in support of the obligations being issued, subject to such conditions as are set forth in said resolution or order. Such resolution may contain a provision appropriating out of the bond proceeds an amount sufficient to pay the interest which will accrue on such obligations during the period of construction of the improvements and facilities covered by such obligations. Such resolution or order may contain other provisions and covenants, as in the opinion of the port commission may be necessary or desirable to insure marketability of the obligations, provided that such
provisions and covenants are not prohibited by the Constitution of Texas or by this chapter; and the port commission may adopt and cause to be executed any other proceedings or instruments necessary and/or convenient in the issuance of said obligations.

(g) The authority may adopt plans for the construction or refinancing of a facility, to be paid for by the issuance and sale of obligations payable from and secured by a pledge of revenues to be derived from the operation of the facility and further secured by a trust indenture, or by a deed of trust on the physical properties of such improvement; and during the time any such improvement is encumbered by the pledge of such revenues and the lien upon its physical properties, in the proceedings authorizing the bonds or the indenture, may vest its management and control in a Board of Trustees, to be named in such resolution or indenture, consisting of not less than five (5) nor more than nine (9) members. The compensation of the members of such Board of Trustees shall be fixed by such resolution or indenture, but shall never exceed one percent (1%) of the gross receipts of such improvement in any one (1) year. The terms of office of the members of such Board of Trustees, their powers and duties, including the power to fix fees and charges for the use of such improvements, and the manner of exercising same, the manner of the selection of their successors, and all matters pertaining to their duties and the organization of such Board of Trustees shall be specified in such resolution or indenture. Any such Board of Trustees may adopt bylaws regulating the procedure of the Board and fixing the duties of its officers, but the bylaws shall not contain any provision in conflict with the covenants and provisions contained in the resolution authorizing the bonds or the indenture. In all matters wherein the resolution or indenture are silent as to the powers, duties, obligations and procedure of the Board, the laws and rules governing the port commission shall control the Board of Trustees in so far as applicable. The Board may be created by the resolution or indenture, and in that event shall have all or any of the powers and authority which could be exercised by the port commission in so far as the management and operation of any such improvement is concerned. By the terms of any such resolution or indenture the port commission may make provision for later supplementing such resolution or indenture so as to vest the management and control of the facility in a Board of Trustees having the powers, rights and duties herein conferred or imposed.
(h) Any resolution or order authorizing the issuance of obligations hereunder may provide that the revenues from which such obligations are to be paid and which are pledged to the payment of such obligations shall from month to month as the same shall accrue and be received, be set apart and placed in the interest and sinking fund, reserve fund, and other funds established in said resolution or order, and disbursed in the manner hereinabove provided.

(i) Any holder of obligations issued hereunder or of coupons originally attached thereto, may either at law or in equity, by suit, action, mandamus or other proceeding, enforce and compel performance of all duties required by this chapter to be performed by the port commission, including the making and collection of reasonable and sufficient fees or charges for the use of the improvements and facilities of the authority, the segregation of the income and revenues of such improvements and facilities, and the application of such income and revenues pursuant to the provisions of this chapter.

(j) As additional security for the payment of any obligations issued hereunder, the port commission may in its discretion have executed in favor of the holders of such obligations an indenture or deed of trust mortgaging and encumbering all or any part of the physical properties comprising the improvements and facilities the net revenues of which are pledged to the payment of such obligations, including the lands upon which said improvements and facilities are located, and may provide in such mortgage or encumbrance for a grant to any purchaser or purchasers at foreclosure sale thereunder of a franchise or lease to operate such improvements, facilities and properties for a term of not over fifty (50) years from the date of such purchase, subject to all laws regulating same then in force. Any such indenture or deed of trust may contain such terms and provisions as the port commission shall deem proper and shall be enforceable in the manner provided by the laws of Texas for the enforcement of other mortgages and encumbrances. Under any such sale ordered pursuant to the provisions of such mortgage or encumbrance, the purchaser or purchasers at such sale, and the purchaser's or purchasers' successors or assigns, shall be vested with a permit or franchise conforming to the provisions stipulated in the indenture or deed of trust to maintain and operate the improvements, facilities and properties purchased at such sale with like powers and privileges as may theretofore have been enjoyed by the authority in the operation of said improvements, facilities and properties. The
purchaser or purchasers of such improvements, facilities and properties at any such sale, and the purchaser's successors and assigns, may operate said improvements, facilities and properties as provided in the last above sentence or may at their option remove all or any part or parts of said improvements, facilities and properties for diversion to other purposes. The provisions of any statute not included in this chapter that relates to the authorization or execution of mortgages and encumbrances or the granting of franchises or leases shall not be applicable to the authorization or execution of any mortgage or encumbrance entered into pursuant to the provisions of this chapter, nor to the granting of any franchise or lease hereunder. Any obligations issued pursuant to the provisions of this chapter and additionally secured by an indenture or deed of trust as provided by this subsection, whether such obligations are notes or certificates of indebtedness or otherwise, and the record relating to their issuance, may, at the option of the port commission, be submitted to the Attorney General of Texas for the attorney general's examination and approval, as in the case of bonds, and after the Attorney General has approved the same, such obligations shall be registered by the Comptroller of Public Accounts of Texas; and after such obligations have been approved by the Attorney General and registered by the Comptroller, they shall thereafter be incontestable for any cause except for forgery or fraud.

(k) The proceeds of the sale of any obligations issued hereunder may be deposited in such bank or banks as may be agreed upon between the purchaser at such sale and the port commission, and may be deposited and paid out pursuant to such terms and conditions as may be so agreed upon, it being expressly provided that the Statutes of Texas pertaining to the deposit of funds in the depository of the authority shall not be applicable to the deposit of the proceeds of such sale.

(l) The port commission is authorized to enter into an agreement or agreements with the purchaser or purchasers of any obligations issued hereunder under the terms of which the port commission shall agree to keep all of the improvements and facilities, the revenues of which are pledged to the payment of such obligations, insured with insurers of good standing against loss or damage by fire, water or flood, and also from any other hazards customarily insured against by private companies operating similar
properties, and to carry with insurers of good standing such insurance covering the use and occupancy of such property as is customarily carried by such private companies. The cost of such insurance shall be budgeted as maintenance and operation expense and such insurance shall be carried for the benefit of the holders of such obligations.

(m) The authority, in addition to the other powers hereinabove set out, shall have general power and authority to make and enter into all contracts, leases and agreements necessary or convenient to the carrying out of any of the powers granted in this chapter, which contracts, leases or agreements may be entered into with any person, real or artificial, any corporation, municipal, public or private, and the government or governmental agency, including those of the United States and the State of Texas. Except as provided by Chapter 60, Water Code, any contracts, leases or agreements entered into pursuant hereto shall be approved by action of the port commission, and shall be executed by the chair of the port commission and attested by the executive director.

(n) Any obligations issued pursuant to the provisions of this section shall be exempt from taxation by the State of Texas or by any municipal corporation, county, or other political subdivision or taxing district of the State.

(o) The port commission shall have the power to issue obligations of the authority for the purpose of refunding any outstanding obligations payable out of the revenues of the authority and accrued interest thereon. Such refunding obligations may be issued to refund more than one series of issues of outstanding obligations and combine the pledges for the outstanding obligations for the security of the refunding obligations, and such refunding obligations may be secured by other and additional revenues, provided that such refunding will not impair the contract rights of the holders of any of the outstanding obligations which are not to be refunded.

(o-1) Such refunding obligations shall be authorized, shall be executed, and shall mature as is provided herein for original obligations, and shall bear interest at the same or lower rate than that of the obligations refunded unless it is shown mathematically that a saving will result in the total amount of interest to be paid. Refunding bonds issued hereunder shall be approved by the Attorney General of Texas as in the case of other bonds issued hereunder, and
shall be registered by the Comptroller of Public Accounts upon surrender and cancellation of the bonds to be refunded, but in lieu thereof, the resolution or order authorizing their issuance may provide that they shall be sold and the proceeds thereof deposited in the place or places where the original bonds are payable, in which case the refunding bonds may be issued in an amount sufficient to pay the interest on the original bonds to their option or maturity date, and the Comptroller shall register them without the surrender and cancellation of the original bonds. The port commission may combine refunding bonds and new bonds in one issue, in which event the provisions of this subsection and Subsection (o) shall apply to those bonds of the combined issue which are designated in the resolution or order as the refunding bonds.

(p) After any bonds have been authorized by the authority hereunder, such bonds and the record relating to their issuance shall be submitted to the Attorney General of Texas for his examination as to the validity thereof, and after the Attorney General has approved the same, such bonds shall be registered by the Comptroller of Public Accounts of Texas. After such bonds have been approved by the Attorney General and registered by the Comptroller, they shall thereafter be incontestable for any cause except for forgery or fraud.

(q) All bonds issued hereunder shall be and are hereby declared to be, and to have all the qualifications of, negotiable instruments under Chapter 3, Business & Commerce Code, and all such bonds shall be and are hereby declared to be legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians, for State funds and retirement system funds (without limiting the generalization of the foregoing, including the Permanent School Fund of Texas, and funds of retirement systems created under the Constitution and laws of the State of Texas), and for the sinking funds of cities, towns, villages, counties, school districts, or other governmental agencies, political corporations or subdivisions of the State of Texas. Such bonds shall be eligible to secure the deposit of any and all public funds of the State of Texas, and any and all public funds of cities, towns, villages, counties, school districts, or other governmental agencies, political corporations or subdivisions of the State of Texas; and such bonds shall be lawful and sufficient security for said deposits to the extent of their face
value when accompanied by all unmatured coupons appurtenant thereto.

(r) This Section, without reference to other Statutes of the State of Texas, shall constitute full authority for the authorization and issuance of obligations hereunder and for the accomplishment of all things herein authorized to be done, and no proceedings relating to the authorization or issuance of such obligations or the doing of such things shall be necessary except such as are herein required, and no provisions of the Laws of the State of Texas pertinent to the authorization or issuance of obligations, the operation and maintenance of ports, canals and waterways, the granting of franchise, permits, or leases, the right to elections or referendum petitions, shall in anywise impede or restrict the carrying out of the acts authorized to be done hereunder or acts done pursuant hereto.

Transferred, redesignated and amended from Local Water Laws, Section 1, Chapter 117, 55R by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 4, eff. September 1, 2013.
Amended by:

Acts 2017, 85th Leg., R.S., Ch. 758 (S.B. 1864), Sec. 3, eff. June 12, 2017.
Acts 2017, 85th Leg., R.S., Ch. 758 (S.B. 1864), Sec. 4, eff. June 12, 2017.

Sec. 5007.007. CONVERSION OF AUTHORITY AND TAX SUPPORTED OBLIGATIONS; CERTAIN POWERS AND DUTIES; ELECTIONS; REFUNDING BONDS; MAINTENANCE TAX; ASSESSMENT OF TAXES. (a) Effective and operative January 1, 1958, the authority is hereby converted to a navigation district operating under the provisions of Section 59 of Article XVI, Constitution of Texas, and after that date the authority will operate under Section 59 of Article XVI.

(a-1) The authority is empowered and authorized to exercise, in addition to all powers conferred by this section, all powers conferred upon the authority by the law or laws under which it was organized, and, in addition, shall have all of the powers and jurisdiction conferred upon Districts originally organized under Article XVI, Section 59, of the Constitution of the State of Texas, including Subchapters B, H, and K, Chapter 60, Water Code, and Sections 60.034 through 60.042, 61.075, 61.076, 61.082, 61.112,
61.115 through 61.117, 61.151 through 61.168, 61.172 through 61.174, and 61.176, Water Code, as amended, and Articles 8248, 8249, 8250, 8251, 8252, 8253, 8254, 8255, 8256, 8257, and 8258, Revised Civil Statutes of Texas, 1925, as amended, as well as Chapter 6, Acts, 1941, Forty-seventh Legislature, Page 8, as amended; Chapter 176, Acts, 1955, Fifty-fourth Legislature, Page 554; Chapter 217, Acts, 1949, Fifty-first Legislature, Page 407; provided, that if there is any conflict or inconsistency between said laws or any of them, and this chapter, then to the extent of conflict or inconsistency, the provisions of this chapter shall govern.

(a-2) If the authority makes a contract under which another entity performs for the authority any work in which the authority may engage under Section 5007.006(a), the authority may require that a minimum of 25 percent of the work be performed by the contractor and, notwithstanding any other law to the contrary, may establish financial criteria for the surety companies that provide payment and performance bonds.

(b) If the port commission shall from time to time determine to make further construction or improvements by the issuance of tax bonds or that additional tax bond funds are required with which to maintain the existing improvements, they shall certify to the Commissioners Court of Harris County the necessity for an additional bond issue or issues stating the amount required, the purposes of the same, the maximum rate of interest of said bonds, and the time for which they are to run. A certified copy of an order or resolution adopted by the port commission, setting forth such information, shall constitute sufficient certification in this regard. The Commissioners Court at a regular or special meeting, shall order an election to vote on the proposition of the issuance of bonds and the levy of taxes as hereinafter provided. Said order shall specify the maximum amount of bonds to be issued, their maximum maturity date, and the maximum rate of interest. The ballots for such election shall contain words substantially as follows: "For the issuance of bonds and levy of tax in payment thereof"; "Against the issuance of bonds and levy of tax in payment thereof"; and said ballot shall conform to the requirements of the provisions of the Constitution of Texas and all other Statutes of Texas applicable thereto. Any and all limitations, statutory or otherwise, restricting the amount of bonds that may be issued by the authority are hereby removed.

(c) When any election is held under this chapter, notice
thereof shall be given for not less than thirty (30) days prior thereto, stating the time, places of holding the same, the proposition or propositions to be voted upon, and the purposes thereof, and shall contain a substantial copy of the election order. Such notices shall be posted by the County Clerk in five (5) public places in said County, one (1) of which shall be at the Courthouse door, and four (4) of which shall be posted within the limits of the authority. No other notice of election shall be necessary. The authority, being presently a county-wide district, and so long as it remains such, the regular voting or election precincts established by the Commissioners Court for county-wide elections shall be the voting or election precincts for all such bond elections.

(d) The Commissioners Court shall canvass the returns of said election, and if a majority of those voting at the election vote in favor of the issuance of the bonds and the levy of the tax in payment thereof, then the Commissioners Court shall authorize the issuance of such bonds and levy taxes to pay the interest on and principal of such bonds, as hereinafter provided. In canvassing such returns and declaring the result of any such election, a simple resolution or order of said Commissioners Court shall be satisfactory.

(e) Bonds so authorized at an election may be issued in one or more installments, and when the port commission shall have determined the amount of bonds to be issued in a particular series or issue, the port commission shall adopt a resolution or order setting forth the amount of bonds then to be issued, and a certified copy of such resolution or order shall be furnished the Commissioners Court. Thereupon, said Commissioners Court, at a regular or special meeting, shall adopt an order authorizing and directing the issuance of bonds for the authority in the amount so certified.

(f) All tax bonds of the authority shall be issued in the name of the authority, shall be signed by the County Judge and attested by the County Clerk, and shall have the seal of the Commissioners Court impressed thereon; provided, that the order authorizing the issuance of such bonds may provide for the bonds to be signed by the facsimile signatures of said County Judge and County Clerk, either or both, and for the seal on the bonds to be a printed facsimile seal of the Commissioners Court; and provided further that the interest coupons attached to said bonds may also be executed by the facsimile signatures of said officers. The County Treasurer shall register such bonds and shall keep a record thereof, and evidence of such
registration may be shown on the bonds by the manual or facsimile signature of said County Treasurer. Such bonds shall be issued in such denominations, shall be payable at such time or times not exceeding forty (40) years from their date or dates, and shall bear interest at a rate or rates not to exceed the amount allowed by law, all as may be determined by said Commissioners Court.

(g) The port commission shall sell such bonds for the best price possible and in no event for less than their face value and accrued interest thereon. Such bonds may be sold either prior to, simultaneous with, or after the adoption of the order by the Commissioners Court authorizing the issuance of such bonds; and if such bonds are sold either prior to or simultaneous with the adoption of said order by the Commissioners Court, then such order shall contain a provision confirming the sale of such bonds. All moneys received from the sale of such bonds shall be deposited with the County Treasurer to the credit of the authority, and shall be expended only for the bond purpose and incidental expenses in connection therewith. No additional bond shall be required of the County Treasurer or of any officer or official of the authority for the handling of the bond proceeds.

(h) All such bonds, and the record of proceedings pertaining thereto, shall be submitted to the Attorney General of Texas for his examination as to the validity thereof, and after the Attorney General has approved the same, such bonds shall be registered by the Comptroller of Public Accounts of Texas. When such bonds have been approved by the Attorney General, registered by the Comptroller, and delivered to the purchasers, they shall thereafter be incontestable for any cause except for forgery or fraud.

(i) When bonds have been issued, the Commissioners Court shall levy and cause to be assessed and collected taxes annually sufficient to pay the interest on such bonds, to provide a sinking fund to redeem said bonds as they mature, and to pay the cost of collection of such taxes.

(j) The Commissioners Court shall have the power to issue bonds to refund outstanding bonds of the authority and accrued interest thereon, and the provisions of this Section relating to the issuance of voted bonds shall apply to the issuance of refunding bonds, except that no election therefor shall be necessary. Refunding bonds shall bear interest at the same or lower rate than the bonds to be refunded unless it is shown mathematically that a saving will result in the
total amount of interest to be paid. Such bonds shall be approved by the Attorney General as in the case of original bonds, and shall be registered by the Comptroller upon surrender and cancellation of the bonds to be refunded, but in lieu thereof, the order authorizing their issuance may provide that they shall be sold and the proceeds thereof deposited in the place or places where the bonds to be refunded are payable, in which case the refunding bonds may be issued in an amount sufficient to pay the principal of the bonds to be refunded and the interest on such bonds to their option or maturity date, and the Comptroller shall register them without the surrender and cancellation of the bonds to be refunded. All refunding bonds, after they have been approved by the Attorney General and registered by the Comptroller, shall be incontestable for any cause except for forgery or fraud.

(k) The Commissioners Court may, upon the request of the port commission, invest the sinking fund created for the benefit of any bonds issued hereunder, in such county, municipal, district, or other bonds required by law to be approved by the Attorney General of Texas.

(l) The Commissioners Court shall be authorized to levy and cause to be assessed and collected for the maintenance, operation and upkeep of the authority and the facilities, properties, and improvements of the authority, whether heretofore or hereafter constructed or acquired and whether constructed or acquired under the provisions of this chapter or otherwise, an annual tax not to exceed ten cents (10¢) on each One Hundred Dollars ($100) valuation of taxable property within the authority; provided that the levying of such tax shall be first submitted to the qualified taxpaying voters of the authority called and held as herein provided for bond elections and the proposition shall be adopted by a majority vote of those voting at the election.

(m) The Commissioners Court shall at the time of levy of taxes for County purposes each year levy and cause to be assessed and collected said maintenance tax within such voted limit of ten cents (10¢) as has been determined by the port commission.

(n) The port commission shall provide all necessary additional books for the use of the tax assessor-collector and the Clerk of the Commissioners Court of Harris County, Texas. The tax assessor-collector of Harris County shall be charged with the assessment of all property for taxation within the authority and when ordered to do
so by the Commissioners Court of Harris County shall assess all property within the authority and list the same for taxation in the books or rolls furnished the tax assessor-collector for said purposes, and return said books or rolls at the same time when the tax assessor-collector returns the other books or rolls of the State and County Taxes for correction and approval to the Commissioners Court of said County, and if said Court shall find said books or rolls correct they shall approve the same, and in all matters pertaining to the assessment of property for taxation in the authority, the tax assessor-collector and appraisal review board of said County shall be authorized to act and shall be governed by the laws of Texas for assessing and equalizing property for State and County Taxes, except as herein provided. All taxes authorized to be levied by this chapter shall be a lien upon the property upon which said taxes are assessed, and said taxes may be paid and shall mature and be paid at the time provided by the laws of this State for the payment of State and County Taxes; and all the penalties provided by the laws of this State for the nonpayment of State and County Taxes shall apply to all taxes authorized to be levied by this chapter.

The tax assessor-collector of Harris County shall be charged with the assessment rolls of the authority, and is required to make collection of all taxes levied and assessed against the property in said County and promptly pay over the same to the Treasurer of the authority. The tax assessor-collector shall receive compensation for services and such compensation shall be paid as provided by law. The bond of the tax assessor-collector shall stand as security for the proper performance of the duties of the tax assessor-collector of the authority; or, if in the judgment of the port commission it be necessary, an additional bond payable to the authority may be required, and in all matters pertaining to the collection of taxes levied under the provisions of this chapter, the tax assessor-collector shall be authorized to act and shall be governed by the laws of the State of Texas for the collection of State and County Taxes, except as herein provided; and suits may be brought for the collection of said taxes and the enforcement of the tax liens created by this chapter. It shall be the duty of the tax assessor-collector to make a certified list of all delinquent property upon which the navigation tax has not been paid, and return the same to the County Commissioners Court, which shall proceed to have the same collected by the sale of such delinquent property in the same manner, both by
suit and otherwise, as now or may be provided for the sale of property for the collection of State and County Taxes; and, at the sale of any property for any delinquent tax, the port commission may become the purchasers of the same for the benefit of the authority. Should the tax assessor-collector fail or refuse to comply with the order of said Commissioners Court requiring the tax assessor-collector to assess and list for taxation all the property in the authority, or fail or refuse to give such additional bond or security as herein provided, the tax assessor-collector shall be suspended from further discharge of the tax assessor-collector's duties by the Commissioners Court of said County, and the tax assessor-collector shall be removed from office in the mode prescribed by law for the removal of county officers.

(o) The County Treasurer of Harris County shall be treasurer of the authority, and shall open an account of all moneys received by the treasurer belonging to the authority and all amounts paid out by the treasurer. The treasurer shall deposit the funds of the authority in such depository or depositories as may be designated by the port commission in the manner provided by law. Should the port commission fail or refuse to select a depository such depository shall be selected in like manner by the Commissioners Court. The treasurer shall pay out no money except upon the conditions provided for in this chapter and under other law and shall carefully preserve on file all orders for the payment of money; and, as often as required by the Commissioners Court, shall render a correct account to them of all matters pertaining to the financial condition of the authority. The treasurer shall execute a good and sufficient bond, payable to the authority in an amount to be fixed by the port commission, such bond to be conditioned for the faithful performance of the duties of the treasurer of the authority and to be approved by the port commission; provided whenever any bonds are issued by the authority, before receiving the proceeds of sale thereof the treasurer shall execute additional good and sufficient bond payable to the port commission in an amount to be fixed by the port commission, which bond shall likewise be conditioned and approved as aforesaid, but such additional bond shall not be required after such Treasurer shall have properly disbursed the proceeds of such bond issue; and the treasurer shall be allowed such compensation for services performed as treasurer of the authority as may be determined by the port commission.
(p) The authority shall acquire, purchase, lease, maintain, repair and operate facilities and equipment for preventing, detecting, controlling, responding to, and fighting fires, explosions, and hazardous material incidents on or adjacent to the waterways, channels and turning basins within its jurisdiction, including the Houston Ship Channel, and for the protection of life and property from damage by fire, explosion, and hazardous material incidents. The authority shall promulgate and enforce ordinances, rules and regulations for the promotion of the safety of life and property on or adjacent to the waterways, channels and turning basins within its jurisdiction, including the Houston Ship Channel, from damages by fire, explosion, and hazardous material incidents in the manner provided by Subchapter D, Chapter 60, Water Code. The powers and functions herein authorized may be exercised both within and without the corporate limits of any city, town or village situated within the boundaries of the authority. This chapter shall be cumulative of all other laws on the subject but in the event of conflict between this chapter and any law of this state or any charter provision or ordinance of any such city, town or village relating to the subject matter of this chapter, the provisions of this chapter shall control.

(q) The authority is authorized to acquire, purchase, construct, enlarge, extend, repair, maintain, operate, or develop traffic control facilities and everything appurtenant thereto, together with all other facilities or aids incident to or useful in the operation or development of the ports and waterways within the authority's jurisdiction, including the Houston Ship Channel, or in aid of navigation and commerce thereon.

Transferred, redesignated and amended from Local Water Laws, Section 2, Chapter 117, 55R by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642 ), Sec. 4, eff. September 1, 2013.
Amended by:
   Acts 2017, 85th Leg., R.S., Ch. 758 (S.B. 1864), Sec. 5, eff. June 12, 2017.

Sec. 5007.008. REFUNDING OF BONDS HERETOFORE VOTED. The Commissioners Court shall have the power to issue bonds of the authority to refund bonds of the authority which have heretofore been
voted and which are outstanding at the time of the adoption of the refunding bond order, and no election therefor shall be necessary. Such refunding bonds shall mature serially or otherwise in not to exceed forty (40) years from their date, and shall bear interest at the same or lower rate than the bonds to be refunded unless it is shown mathematically that a saving will result in the total amount of interest to be paid. Such refunding bonds shall be approved by the Attorney General of Texas, and shall be registered by the Comptroller of Public Accounts of Texas upon surrender and cancellation of the bonds to be refunded, but in lieu thereof, the order authorizing their issuance may provide that they shall be sold and the proceeds thereof deposited in the place or places where the bonds to be refunded are payable, in which case the refunding bonds may be issued in an amount sufficient to pay the principal of the bonds to be refunded and the interest on such bonds to their option or maturity date, and the Comptroller shall register them without the surrender and cancellation of the bonds to be refunded. All such refunding bonds, after they have been approved by the Attorney General and registered by the Comptroller, shall be incontestable for any cause except for forgery or fraud.

Transferred, redesignated and amended from Local Water Laws, Section 3, Chapter 117, 55R by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 4, eff. September 1, 2013.

Sec. 5007.009. CONSTRUCTION OF CHAPTER. This chapter shall be cumulative of other laws, and shall be liberally construed to effectuate the purposes set forth herein. It is hereby found and declared that all property in the authority, both real and personal, is benefited by the authority and by the improvements and facilities constructed or acquired under this chapter. It is expressly provided that nothing in this chapter shall be construed to amend, repeal, or affect the laws relating to pilots, pilotage, their appointment, or their remuneration.

Transferred, redesignated and amended from Local Water Laws, Section 4, Chapter 117, 55R by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 4, eff. September 1, 2013.
Sec. 5007.010. NAME AND TITLE CHANGES. (a) Effective August 30, 1971, the name of the Harris County Houston Ship Channel Navigation District of Harris County, Texas, is changed to the Port of Houston Authority of Harris County, Texas.

(b) Effective August 30, 1971, the name of the Board of Navigation and the Canal Commissioners of the authority is changed to the port commission, and the title of each member is port commissioner.

(c) Effective August 30, 1971, the title of general manager of the authority is changed to executive director.

Transferred, redesignated and amended from Local Water Laws, Section 5A, Chapter 117, 55R by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 4, eff. September 1, 2013.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 758 (S.B. 1864), Sec. 6, eff. June 12, 2017.

SUBCHAPTER B. ADMINISTRATION AND PLANNING

Sec. 5007.201. CONFLICT OF LAWS. To the extent of a conflict between this subchapter and any other law, including Subchapter A, this subchapter prevails.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.


Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.204. GOVERNING BODY; APPOINTMENT; TERMS; VACANCY. (a) The authority is governed by a port commission of seven port commissioners appointed as follows:

(1) two port commissioners appointed by a majority of the
city council of the City of Houston;

(2) two port commissioners appointed by a majority of the Harris County Commissioners Court;

(3) one port commissioner appointed by the city council of the City of Pasadena, who must reside in the city of Pasadena;

(4) one port commissioner appointed by a majority of the Harris County Mayors' and Councils' Association, who must be a resident of a municipality in Harris County that is located adjacent to the Houston Ship Channel and has a population of less than 100,000; and

(5) the chair of the port commission, appointed as described by Section 5007.205.

(b) Sections 61.159(a) and (d) and 61.160, Water Code, apply to the authority.

(c) The port commissioners serve staggered two-year terms that expire on February 1.

(d) A person is not eligible for appointment to the port commission if the person has previously served the equivalent of at least 12 full years on the port commission.

(e) Of the two port commissioners each appointed under Subsections (a)(1) and (2), one serves a term expiring in an even-numbered year and one serves a term expiring in an odd-numbered year. The port commissioner appointed under Subsection (a)(3) serves a term expiring in an odd-numbered year. The port commissioner appointed under Subsection (a)(4) serves a term expiring in an even-numbered year.

(f) Not later than the 45th day after the date on which a term expires or on which a vacancy begins, the appointing entity must appoint a new port commissioner. If the appointing entity fails to make the appointment before the 45th day, the office is considered an open position and the person serving in that position is ineligible for reappointment to fill the position, and:

(1) if the appointing entity is the city council of the City of Houston, the city council of the City of Pasadena, or the Harris County Mayors' and Councils' Association, the Harris County Commissioners Court shall appoint a port commissioner to fill the position; or

(2) if the appointing entity is the Harris County Commissioners Court, the city council of the City of Houston shall appoint a port commissioner to fill the position.
(g) If a second appointing entity under Subsection (f)(1) or (2) fails to make an appointment before the 90th day after the date on which the term expires or the vacancy begins:

(1) the office is considered an open position and the person serving in that position is ineligible for reappointment to fill the position; and

(2) the governor shall appoint a port commissioner to fill the position with the advice and consent of the senate.

(h) If a vacancy occurs through death, resignation, or other reason, the vacancy shall be filled in the manner provided for making the original appointment and in accordance with Subsections (f) and (g).

(i) The governor may appoint a port commissioner under Subsection (g) only if the appointing entity under Subsection (f) fails to make an appointment within the period described by this section, and any subsequent appointment must be made by the appropriate appointing entity.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.205. APPOINTMENT OF CHAIR; TERM. (a) The City of Houston mayor and city council and the Harris County Commissioners Court shall jointly appoint the chair of the port commission in January of odd-numbered years. The term of the chair expires on February 1 of each odd-numbered year.

(b) If the mayor, city council, and commissioners court do not make an appointment within the period specified by this section, the governor shall appoint the chair of the port commission with the advice and consent of the senate. The governor may appoint the chair only if the original appointing entities fail to make an appointment within the period described by this section, and any subsequent appointment must be made by the appointing entities.

(c) The person appointed as the chair of the port commission must comply with the qualifications described by Section 61.160, Water Code.

(d) On the second Monday of January in each odd-numbered year, the City of Houston mayor and city council, the Harris County commissioners, and the Harris County judge shall hold a joint meeting
to appoint the chair of the port commission at the headquarters of the authority.

(e) In the meeting held under Subsection (d):

(1) each city council member and the mayor shall have one vote; and

(2) each county commissioner and the county judge shall have the mixed-fraction number of votes equal to the sum of the number of city council members plus the mayor divided by the sum of the number of county commissioners plus the county judge.

(f) The presence of individuals with a majority of the total potential votes is required to establish a quorum at the meeting. A separate quorum from each group, representing the city and the county, is not required. The chair must be appointed by at least a majority of the total potential votes, in any combination.

(g) In the event of a tie, the city council, mayor, county commissioners, and county judge have three calendar days to deliberate, convene a meeting, and revote. The period may be extended to allow for compliance with Chapter 551, Government Code, as it applies to the notice requirement for an open meeting. If a second vote results in a tie:

(1) the office of the chair of the port commission is considered an open position and the person serving as the chair is not eligible for reappointment to fill the position; and

(2) the governor shall appoint the chair as provided by Subsection (b).

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.206. NAVIGATION BOARD. The navigation board of the authority is composed of the county judge and county commissioners of Harris County, the mayor and city council members of the City of Houston, and the members of the Harris County Mayors' and Councils' Association.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.2065. SERVICE ON FREIGHT RAIL DISTRICT BOARD. The
chair of the port commission may designate an officer or employee of the authority to serve on behalf of the chair as a director of a freight rail district created under Section 171.052, Transportation Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 758 (S.B. 1864), Sec. 7, eff. June 12, 2017.

Sec. 5007.207. CONFLICT OF INTEREST. (a) In this section, "Texas trade association" means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

(b) A person may not be a port commissioner and may not be an authority employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.), if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in a field relating to maritime commerce, the members of which are regulated by the authority; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in a field relating to maritime commerce, the members of which are regulated by the authority.

(c) A person may not be a port commissioner or act as the general counsel to the port commission or the authority if the person is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to the operation of the authority.

(d) A person may not be a port commissioner if the person or an individual related to the person in the first degree of consanguinity or affinity, as determined under Chapter 573, Government Code:

(1) is employed by or participates in the management of a business entity or other organization regulated by or receiving money from the authority; or

(2) uses or receives a substantial amount of tangible
goods, services, or money from the authority other than compensation or reimbursement authorized by law for port commission membership, attendance, or expenses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.208. FILING OF FINANCIAL STATEMENT BY PORT COMMISSIONERS. (a) A port commissioner shall file the financial statement required of state officers under Subchapter B, Chapter 572, Government Code, with:

(1) the authority; and
(2) the Texas Ethics Commission.

(b) Subchapter B, Chapter 572, Government Code:
(1) applies to a port commissioner subject to this section as if the port commissioner were a state officer; and
(2) governs the contents of, timeliness of filing, public inspection of, and civil and criminal penalties relating to a statement filed under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 1915 and S.B. 2223, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 5007.209. PORT COMMISSIONER TRAINING. (a) A person who is appointed to and qualifies for office as a port commissioner may not vote, deliberate, or be counted as a port commissioner in attendance at a meeting of the port commission until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the legislation that created the authority;
(2) the programs, functions, policies, rules, and budget of the authority;
(3) the results of the most recent formal audit of the
authority;

(4) the duties of the port commission as the board of pilot commissioners for Harris County ports under Chapter 66, Transportation Code;

(5) the requirements of laws relating to open meetings, public information, administrative procedure, financial disclosure, and conflicts of interest; and

(6) any applicable ethics policies adopted by the port commission or the Texas Ethics Commission.

(c) A person appointed to the port commission is entitled to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.210. REMOVAL FROM OFFICE. (a) It is a ground for removal from the port commission that a port commissioner:

(1) does not have at the time of taking office the qualifications required by Section 5007.204;

(2) does not maintain during service on the port commission the qualifications required by Section 5007.204;

(3) is ineligible for membership under Section 5007.207;

(4) cannot, because of illness or disability, discharge the port commissioner's duties for a substantial part of the port commissioner's term;

(5) commits malfeasance in office; or

(6) is absent from more than half of the regularly scheduled port commission meetings that the port commissioner is eligible to attend during a calendar year without an excuse approved by a majority vote of the port commission.

(b) The validity of an action of the port commission is not affected by the fact that it is taken when a ground for removal of a port commissioner exists.

(c) If the executive director has knowledge that a potential ground for removal exists, the executive director shall notify the chair of the port commission of the potential ground. The chair shall then notify the entity that appointed the port commissioner
that a potential ground for removal exists. If the potential ground for removal involves the chair, the executive director shall notify the next highest ranking officer of the port commission, who shall then notify the entities who appointed the chair that a potential ground for removal exists.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.211. PORT COMMISSION POLICIES. (a) The port commission shall adopt detailed policies that document its governance practices and make those policies available on the authority's website.

(b) The port commission shall develop and implement policies that clearly separate the policymaking responsibilities of the port commission and the management responsibilities of the executive director and the other employees of the authority.

(c) The port commission shall distribute a copy of all policies adopted under this subchapter to each port commissioner and authority employee not later than the third business day after the date the person begins employment or a term as port commissioner.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.212. EXECUTIVE DIRECTOR. (a) The port commission shall appoint an executive director of the authority. The port commission shall prescribe the duties and compensation of the executive director. The port commission may delegate to the executive director full authority to manage and operate the affairs of the authority subject only to orders of the port commission.

(b) The port commission shall delegate to the executive director the authority to employ all persons necessary for the proper handling of the business and operation of the authority and to determine the compensation to be paid to all employees, other than the executive director or the chief audit executive employed under Section 5007.226(c).

(c) The executive director shall execute a bond for $10,000 conditioned on the faithful performance of the executive director's
duties and other conditions as required by the authority. The bond must be recorded in a record kept for that purpose in the authority's office.

(d) The port commission by general or special rule, regulation, order, resolution, or other direction may authorize the executive director or another person authorized to act instead of the executive director to perform any act on behalf of the port commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.213. STANDARDS OF CONDUCT; ETHICS POLICY. (a) A port commissioner or an authority employee should not:

(1) accept or solicit any gift, favor, or service that might reasonably tend to influence the port commissioner or employee in the discharge of official duties or that the port commissioner or employee knows or should know is being offered with the intent to influence the port commissioner's or employee's official conduct;

(2) accept other employment or engage in a business or professional activity that the port commissioner or employee might reasonably expect would require or induce the port commissioner or employee to disclose confidential information acquired by reason of the official position;

(3) accept other employment or compensation that could reasonably be expected to impair the port commissioner's or employee's independence of judgment in the performance of the port commissioner's or employee's official duties;

(4) make personal investments that could reasonably be expected to create a substantial conflict between the port commissioner's or employee's private interest and the public interest; or

(5) intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the port commissioner's or employee's official powers or performed the port commissioner's or employee's official duties in favor of another.

(b) The port commission shall adopt a written ethics policy for the port commissioners and authority employees consistent with the standards prescribed by Subsection (a).

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff.
Sec. 5007.214. ETHICS AFFIRMATION AND HOTLINE. (a) A port commissioner or an authority employee shall annually affirm the port commissioner's or employee's adherence to the ethics policy adopted under Section 5007.213.

(b) The port commission shall establish and operate a telephone hotline that enables a person to call the hotline number, anonymously or not anonymously, to report alleged fraud, waste, or abuse or an alleged violation of the ethics policy adopted under Section 5007.213.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.215. COMPLAINTS. (a) The authority shall maintain a system to promptly and efficiently act on complaints filed with the authority. The authority shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition.

(b) The authority shall make information available to the public, including on the authority's website, describing its procedures for complaint investigation and resolution.

(c) The authority shall periodically notify the complaint parties of the status of the complaint until final disposition.

(d) The authority shall develop a standard form and a procedure for submitting complaints to the authority and shall make that form and procedure available on the authority's website. The authority shall also make available on its website clear information about what a person making a complaint should expect after the complaint is filed, including timelines for response and resolution.

(e) The authority shall compile detailed statistics and analyze trends on complaint information, including:

(1) the nature of the complaints;
(2) the disposition of the complaints; and
(3) the length of time to resolve complaints.

(f) Authority staff shall report the information compiled under
Subsection (e) to senior management as designated by the executive
director and the port commission on a regular basis.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff.
September 1, 2013.

Sec. 5007.216. PUBLIC INVOLVEMENT POLICY. The port commission shall develop and implement a policy that provides a structure for
public involvement. The policy must include:

(1) a clear and detailed description of how the authority will seek to actively engage stakeholders;

(2) specific actions the authority will take to meet or exceed the requirements of laws related to open meetings; and

(3) strategies that include use of the authority's website to make available clear, updated information on issues of public concern.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.217. WHISTLEBLOWER POLICY. The port commission shall adopt a whistleblower policy consistent with Chapter 554, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.218. EXPENSE POLICY. The port commission shall adopt an expense policy that includes:

(1) spending guidelines for meals, lodging, and entertainment, including a process for handling and documenting exceptions to the guidelines if business needs require an exception;

(2) clear expense report protocols, including:

(A) the use of cash advances;

(B) the separation of reports from port commissioners and authority employees; and

(C) clear lines of accountability for the submission of reports; and
Sec. 5007.219.  PROMOTION AND DEVELOPMENT FUND.  (a)  In this section, "promotion and development fund" means a fund created and managed under Subchapter H, Chapter 60, Water Code.

(b)  The port commission shall adopt clear, complete policy and procedures to govern the use of the promotion and development fund.  The policy and procedures must include:

(1) provisions limiting acceptable uses of promotion and development fund money to uses with a direct tie to the mission of the authority;

(2) a consistent budget process;

(3) a process for requesting sponsorship funds by port commissioners, authority employees, and outside groups;

(4) an approval process for each type of expenditure from the promotion and development fund, including:

(A) the level of approval or notification required for authority employees, applicable task forces, and the port commission; and

(B) a requirement that each approved expenditure must include a description of:

(i) the expected impact of the expenditure; and

(ii) how the expenditure is consistent with the strategic direction for promotion and development fund money as adopted by the port commission;

(5) a procedure for handling exceptions to the policy,
including a requirement that an exception be subject to the same
reporting requirements as other approved expenditures from the
promotion and development fund;

(6) a provision for evaluating the policy's effectiveness
and having the port commission adopt updates to the policy as needed
at regularly scheduled public meetings; and

(7) requirements for regular tracking of all expenditures
from the promotion and development fund and reporting of the
expenditures to the port commission and to the public by making the
reports available on the authority's website.

(c) A report described by Subsection (b)(7) must include
detailed information about:

(1) travel by port commissioners;
(2) special uses of the authority's resources, including
the use of any public tour vessels and the associated costs, sorted
by authority division;
(3) sponsorship and similar spending; and
(4) total expenditures from the promotion and development
fund, including year-to-date summary information by category of
expenditure.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff.
September 1, 2013.

Sec. 5007.220. PLANNING DEFINITIONS. For the purposes of
Sections 5007.221, 5007.222, 5007.224, and 5007.225:

(1) "Long-range plan" means the plan developed under
Section 5007.221.
(2) "Mid-range plan" means the plan developed under Section
5007.222.
(3) "One-year capital plan" means the plan developed under
Section 5007.224.
(4) "Staff" means one or more authority employees and does
not include a port commissioner.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff.
September 1, 2013.

Sec. 5007.221. LONG-RANGE PLANNING. (a) Appropriate staff
shall develop a long-range plan containing:

(1) a mission and values statement;
(2) an assessment of the authority's state as of the date of the plan;
(3) an assessment of the projected operating environment over the course of the long-range plan;
(4) a discussion of high-level goals, strategies, and priorities;
(5) a scheme for ongoing evaluation of progress toward stated goals, including performance measures; and
(6) other strategic planning elements, as considered appropriate by the staff or port commission.

(b) The port commission shall establish a planning horizon of at least 10 years for the long-range plan.
(c) The staff shall identify and collaborate with stakeholders to obtain input on the long-range plan.
(d) The port commission may amend and shall adopt the plan and any updates to the plan in an open meeting.
(e) The staff shall provide annual progress updates according to performance measures developed under Subsection (a)(5). The staff shall present a report on the annual progress to the port commission.
(f) The staff shall complete a comprehensive reevaluation and update of the long-range plan at least every five years, or more frequently if the port commission finds that conditions warrant a more frequent update.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.222. MID-RANGE PLANNING. (a) Appropriate staff shall develop a mid-range plan consistent with the long-range plan. The mid-range plan must include:

(1) a five-year financial forecast addressing the financial needs and financing options of the authority for the five-year period, with information about the relative cost of the options;
(2) a five-year capital plan, including a preliminary analysis and prioritization of projects; and
(3) other detailed action plans as the port commission or staff finds necessary to achieve the goals of the mid-range plan or
long-range plan.

(b) The staff shall present the mid-range plan in an open meeting of the port commission. The port commission is not required to adopt a mid-range plan.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.223. BUDGET. The port commission shall annually adopt a budget for the authority in an open meeting.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.224. ONE-YEAR CAPITAL PLAN. (a) Appropriate staff shall develop a one-year capital plan, including associated financing, that is integrated with the budget of the authority.

(b) The port commission shall adopt the one-year capital plan in an open meeting.

(c) The port commission shall establish and document a detailed process for the analysis and approval of a project proposed for inclusion in the one-year capital plan. A project may be included in the one-year capital plan only if it is approved in accordance with that process.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.225. PUBLIC ACCESS TO BUDGET AND PLANNING INFORMATION. (a) The port commission shall post on the authority's website and otherwise make available to the public the authority's most recently adopted budget and any plan adopted by the port commission at an open meeting, including the long-range plan, mid-range plan, one-year capital plan, and updates to that budget or those plans.

(b) The port commission may redact sensitive business information from the plans made publicly available under this section.
Sec. 5007.226. INTERNAL AUDIT. (a) The port commission shall establish an internal audit procedure consistent with the purposes, duties, and standards for state agency internal audit procedures under Chapter 2102, Government Code.

(b) The port commission shall create an internal audit task force consisting of port commissioners.

(c) The port commission only shall hire and may fire or suspend a chief audit executive, who shall report to the internal audit task force. The chief audit executive shall coordinate all audit activity, including:

1. compliance reviews;
2. reviews of internal controls;
3. audits by the county auditor of Harris County;
4. contracted audits;
5. performance reviews; and
6. investigations of alleged fraud, waste, abuse, or ethics violations reported under Section 5007.214(b).

(d) The chief audit executive shall monitor the authority's compliance with statutory requirements governing use of the promotion and development fund, as defined by Section 5007.219(a).

(e) The port commission shall create, approve, and make available on the authority's website a risk-based annual audit plan.

(f) The port commission shall make internal audits available on request to:

1. the county auditor of Harris County; and
2. any entity with the authority to appoint a port commissioner.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff. September 1, 2013.

Sec. 5007.227. HARRIS COUNTY AUDITOR. (a) The county auditor of Harris County may conduct a financial audit of the authority as part of an annual, county-wide risk assessment and audit plan. An audit performed under this subsection must be conducted in accordance
with generally accepted auditing standards as prescribed by:

   (1) the American Institute of Certified Public Accountants;
   (2) the Governmental Accounting Standards Board;
   (3) the United States Government Accountability Office; or
   (4) any other professionally recognized entity that
prescribes auditing standards.

  (b) The county auditor of Harris County may not conduct an
operational audit of the authority or any audit that exceeds the
scope of the audit described in Subsection (a).

  (c) The authority shall reimburse the county auditor of Harris
County for an audit conducted under Subsection (a), according to
standard rates agreed to by the authority and the county before an
audit is scheduled or performed. The rates shall be updated
periodically.

  (d) Sections 60.204(c) and 61.174(b) and (c), Water Code, do
not apply to the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff.
September 1, 2013.

Sec. 5007.228. ACCEPTANCE OF GIFTS. (a) In this section,
"gift" means a gift, grant, donation, or bequest of money or property
accepted under Section 60.124, Water Code, that has a value of $500
or more.

  (b) The authority may accept a gift only if, not later than the
90th day after the date the port commission receives the gift, the
port commission, in an open meeting, acknowledges the acceptance of
the gift.

  (c) For a gift accepted under Subsection (b), the authority
must record the name of the donor, a description of the gift, and a
statement of the purpose of the gift in the minutes of the port
commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 139 (H.B. 1642), Sec. 5, eff.
September 1, 2013.

CHAPTER 5009. GALVESTON COUNTY NAVIGATION DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5009.001. DEFINITIONS. In this chapter:
(1) "Commission" means the board of navigation and canal commissioners of the district.

(2) "District" means the Galveston County Navigation District No. 1.

(3) "Fund" means a promotion and development fund created by the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.01, eff. April 1, 2019.

Sec. 5009.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.01, eff. April 1, 2019.

Sec. 5009.003. LEGISLATIVE FINDINGS. (a) All land and other property in the district benefit from the creation of the district, the carrying out of the purposes for which the district was created, and the acquisition and construction of navigation facilities and improvements to carry out those purposes.

(b) The district is necessary to carry out Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.01, eff. April 1, 2019.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 5009.051. LIMITATION ON POWERS AND DUTIES. Notwithstanding any other law, the district, the commission, or officers of the district may not have any power or authority over the appointment, remuneration, operations, or conduct of the branch pilots of the Galveston Bar or the commission of pilots of the Galveston Bar.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.01, eff. April 1, 2019.
SUBCHAPTER C. PROMOTION AND DEVELOPMENT FUND

Sec. 5009.101. ESTABLISHMENT OF FUND; DEPOSITS. (a) The district may establish a promotion and development fund.

(b) The district, from time to time, may deposit in the fund a portion of the district's accumulated money, plus an amount each year not to exceed 10 percent of the district's total maintenance and operation taxes, including delinquent taxes, received during a fiscal year.

(c) The commission shall determine the amount to be deposited in the fund.

(d) The money in the fund shall be kept separate from other money and accounts of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.01, eff. April 1, 2019.

Sec. 5009.102. USE OF FUND. The fund may be used only for:

(1) the purposes described by Section 60.203, Water Code;

(2) the public purposes of development and diversification of the district's economy; and

(3) joint projects with other political subdivisions or entities, including funding a program of an entity, to carry out the purposes of Subchapter H, Chapter 60, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.01, eff. April 1, 2019.

Sec. 5009.103. CONTROL OF FUND. The fund is under the exclusive control of the commission, and the commission has full responsibility for auditing, approving, and safeguarding the expenditure of money from the fund.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.01, eff. April 1, 2019.

CHAPTER 5013. PORT OF HARLINGEN AUTHORITY

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see HB1053, 86th Legislature,
Regular Session, for amendments affecting the following section.

Sec. 5013.001. DEFINITION. In this chapter, "authority" means the Port of Harlingen Authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.01, eff. April 1, 2019.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see HB1053, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 5013.002. FORMER NAME OF AUTHORITY. Before April 13, 1983, the authority was known as the Arroyo Colorado Navigation District of Cameron and Willacy Counties.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.01, eff. April 1, 2019.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see HB1053, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 5013.003. GOVERNING BODY. The navigation and canal commission of the authority is called the port commission and is composed of port commissioners.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.01, eff. April 1, 2019.

SUBTITLE B. ROAD AND ROAD UTILITY DISTRICTS

CHAPTER 5201. GALVESTON COUNTY ROAD DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5201.001. DEFINITION. In this chapter, "district" means Galveston County Road District No. 1.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.
Sec. 5201.002. NATURE OF DISTRICT. (a) Galveston County Road District No. 1 is a defined road district created under Section 52, Article III, Texas Constitution, to:

(1) construct, maintain, or operate macadamized, graveled, or paved roads and turnpikes; or

(2) aid an activity described by Subdivision (1).

(b) The district is a body corporate and a taxing district under the constitution and laws of this state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.

Sec. 5201.003. LEGISLATIVE FINDINGS. The legislature finds that all land and other property in the district will benefit from:

(1) the creation of the district; and

(2) the construction, acquisition, and maintenance of the improvements and facilities authorized by this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.

Sec. 5201.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 66, Acts of the 55th Legislature, Regular Session, 1957, as that territory may have been modified under other law.

(b) The Commissioners Court of Galveston County may redefine the boundaries of the district contained in Section 2, Chapter 66, Acts of the 55th Legislature, Regular Session, 1957, to correct any error or omission in those boundaries.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.

Sec. 5201.005. GENERAL POWER OF DISTRICT. (a) In this section, "road facility" means:

(1) a causeway, bridge, or tunnel;

(2) an immediate approach or a necessary fixture, accessory, or equipment for a facility described by Subdivision (1);
or
(3) any combination of those facilities described by Subdivision (1) or (2).

(b) The district may construct, acquire, improve, operate, or maintain a road facility:
(1) in the district;
(2) from a point in the district to a point outside of the district in Galveston County; or
(3) from a point in the district in, over, through, or under the Gulf of Mexico or a bay or inlet opening into the gulf to a point outside of the district and located in another county.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.

Sec. 5201.006. APPLICABILITY OF CERTAIN OTHER LAW. (a) To the extent it can be made applicable, Chapter 284, Transportation Code, applies to:
(1) the issuance of bonds under this chapter; and
(2) the operation and maintenance of a road facility constructed, acquired, or improved as provided by Section 5201.005.
(b) The district has all the rights, powers, and duties over a road facility authorized by Section 5201.005 as are granted to or imposed on a county by Chapter 284, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.

SUBCHAPTER B. BONDS
Sec. 5201.051. GENERAL AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds to:
(1) construct, maintain, and operate macadamized, graveled, or paved roads and turnpikes; and
(2) aid an activity described by Subdivision (1).
(b) The Commissioners Court of Galveston County may issue bonds for the district in the same manner as provided by general law for road district bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff.
Sec. 5201.052. USE OF BOND PROCEEDS LIMITED. The proceeds of bonds issued under this chapter may be spent only for the construction, acquisition, improvement, operation, or maintenance of a road facility as authorized by Section 5201.005.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.

Sec. 5201.053. SECURITY FOR BONDS. Bonds issued under this chapter may be secured by:

(1) solely a pledge of revenues, in the manner and to the extent prescribed for a county by Chapter 284, Transportation Code;

(2) a pledge of, and making the bonds payable from, an ad valorem tax authorized by Section 52(b), Article III, Texas Constitution;

(3) designating a portion of the bonds to be secured solely by a pledge of revenues as provided by Subdivision (1) and a portion of the bonds to be secured by a pledge of an ad valorem tax as provided by Subdivision (2); or

(4) a combination of the methods prescribed by Subdivisions (1) and (2) through which all of the bonds are to be supported and secured by a pledge of revenue and ad valorem tax, in the manner and to the extent prescribed for a county by Chapter 284, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.

Sec. 5201.054. AUTHORITY TO ISSUE AD VALOREM TAX BONDS. (a) Bonds wholly or partly supported by an ad valorem tax may be issued only if approved by a two-thirds vote of the qualified voters of the district voting at an election held for that purpose.

(b) The district may impose an ad valorem tax to pay bonds issued under this chapter as authorized by Section 52(b), Article III, Texas Constitution.

(c) A hearing is not required on a petition for a bond election
under this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.

Sec. 5201.055. AUTHORITY TO ISSUE REVENUE BONDS. The district may issue bonds payable solely from revenue without:

(1) a petition for a bond election; or
(2) an election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.

Sec. 5201.056. MATURITY. Bonds issued under this chapter must mature not later than 40 years after their date of issuance.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.

SUBCHAPTER C. TAXES

Sec. 5201.101. AUTHORITY TO IMPOSE MAINTENANCE TAX. (a) If approved by a two-thirds vote of the qualified voters of the district voting at an election held for that purpose, the Commissioners Court of Galveston County may impose an annual ad valorem tax at a rate not to exceed 20 cents on each $100 valuation of taxable property in the district for the maintenance of the district's improvements and facilities.

(b) An election under Subsection (a):

(1) does not require a petition;
(2) must be held in the same manner prescribed for a bond election; and
(3) may be held at the same time as a bond election.

(c) Subsequent elections may be held on increasing, reducing, or abating a maintenance tax not to exceed the limits prescribed by Subsection (a).

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.04, eff. April 1, 2007.
Sec. 5202.001. DEFINITION. In this chapter, "district" means the Nueces County Road District No. 4.

Added by Acts 2013, 83rd Leg., R.S., Ch. 914 (H.B. 1357), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. DISTRICT POWERS
Sec. 5202.051. AUTHORITY TO LEASE OR SELL LAND. The district may lease or sell land that is no longer used for district purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 914 (H.B. 1357), Sec. 1, eff. June 14, 2013.

TITLE 6. WATER AND WASTEWATER
SUBTITLE A. DRAINAGE DISTRICTS
CHAPTER 6601. ANGLETON DRAINAGE DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 6601.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Angleton Drainage District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.002. NATURE OF DISTRICT. (a) The Angleton Drainage District is a conservation and reclamation district re-created under Section 59, Article XVI, Texas Constitution, for the reclamation and drainage of the district's overflowed lands and other lands needing drainage.

(b) The district is a municipal corporation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 6601.003. LEGISLATIVE FINDINGS. The legislature finds that:

(1) all land and other property included in the district is, and will be, benefited by the district and by the improvements the district will purchase, construct, or otherwise acquire;

(2) the district is created to serve a public use and benefit; and

(3) the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 9, Special Laws, Acts of the 41st Legislature, 4th Called Session, 1930, as referenced by Section 1, Chapter 43, Acts of the 57th Legislature, 3rd Called Session, 1962, as that territory may have been modified under:

(1) Section 6601.105 or its predecessor statute, Section 11, Chapter 43, Acts of the 57th Legislature, 3rd Called Session, 1962;

(2) Chapter 4, Title 128, Revised Statutes, before August 30, 1971;

(3) Subchapter G, Chapter 53, Water Code, before September 1, 1995;

(4) Subchapter J, Chapter 49, Water Code; or

(5) other law.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

Sec. 6601.051. BOARD OF DIRECTORS. The board consists of three directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.052. BALLOT APPLICATION DEADLINE. An application for a place on the ballot for a directors election must be filed with the secretary of the district not later than the 30th day before the date
of the election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.053. QUALIFICATIONS. A candidate for director must:
(1) be more than 21 years of age; and
(2) own land subject to taxation in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.054. MEETINGS. The board shall meet at:
(1) the Angleton City Hall at 7:30 p.m. on the first Tuesday in February, May, August, and November of each year; or
(2) other times and places as decided by the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.055. ADDITIONAL DIRECTORS. (a) If territory is added to the district and the board considers it advisable, the size of the board may be increased to not more than five directors.

(b) If the size of the board is increased, the board shall appoint the appropriate number of qualified persons to serve as directors until successor directors are elected at the next regular election of directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.056. SPECIAL ELECTION. (a) If the number of directors is reduced to one, the remaining director shall call a special election to fill the vacancies. If the remaining director fails to call the special election before the 16th day after the date the vacancies occur, the county judge of Brazoria County may order a special election on petition of any resident of the district.

(b) The election shall be conducted and notice shall be given in the manner provided by Section 49.106, Water Code, for bond elections of the district.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 6601.101. POWERS AND DUTIES. (a) To accomplish the purposes of Section 6601.002(a), the district has all the rights, powers, privileges, and duties conferred and imposed by general law on fresh water supply districts created under Section 59, Article XVI, Texas Constitution, including the power to conserve, transport, and distribute fresh water.

(b) Repealed by Acts 2005, 79th Leg., Ch. 729, Sec. 2.02, eff. April 1, 2007.

Sec. 6601.102. DISTRICT POWERS. (a) The district may construct, acquire, improve, enlarge, extend, repair, maintain, or replace all walls, dams, dikes, levees, embankments, canals, drains, tanks, laterals, and pumps that the board considers necessary to accomplish district purposes.

(b) The district may make, construct, or otherwise acquire improvements in or outside district boundaries as necessary to implement the powers granted by this chapter and general law.

Sec. 6601.103. EMINENT DOMAIN. (a) Not by way of limitation, the district may exercise the right of eminent domain to acquire the right-of-way over and through private land, except property used for cemetery purposes, as the board determines necessary for making the district's canals, drains, ditches, levees, and other improvements and the necessary outlets for those improvements. The power of eminent domain is limited to Brazoria County.

(b) Right-of-way in a municipality may not be condemned without the consent of the governing body of the municipality.

(c) The proceedings shall be in the name of the district and
under the direction of its board.

(d) An appeal of the findings and damage assessment by the special commissioners does not suspend the work of the directors in prosecuting the work in all of its details.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.104. COST OF RELOCATING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described in Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district, in the exercise of the power of eminent domain or relocation or another power granted under this chapter, makes necessary the relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, a railroad, an electric transmission line, telephone or telegraph properties and facilities, or a pipeline, the necessary relocating, raising, rerouting, changing of grade, or alteration of construction shall be accomplished at the sole expense of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.105. ADDITION OF TERRITORY TO DISTRICT. (a) In addition to adding territory as provided by Subchapter J, Chapter 49, Water Code, the district may add territory as provided by this section. Territory added to the district need not be contiguous to the district.

(b) The owner or owners of land may request by petition that the board include the land in the district.

(c) A petition under Subsection (b) must be filed with the board and describe the land to be added to the district. The description may be by metes and bounds or by lot and block number. The petition must be signed and executed in the manner provided by law for the conveyance of real estate.

(d) The board shall hear and consider a petition filed under this section. The board may add the land to the district if the board considers the addition to be to the advantage of the district.
Sec. 6601.106. MOSQUITO HAZARD. (a) The legislature finds that to properly drain and reclaim overflowed lands and other lands needing drainage within the district and to restore and preserve its waters for beneficial use, it is necessary to reduce and alleviate the mosquito hazard existing in and around the lands needing drainage.

(b) The board may purchase the equipment and supplies necessary to conduct mosquito control work and may pay for the labor necessary to operate and maintain the equipment from money available for that purpose.

(c) If the board determines that an election should be held to impose a tax for mosquito control work, the tax must be:

(1) submitted to the voters in a separate proposition from any bond tax, maintenance tax, or other tax of the district considered at the same election; and

(2) authorized in the manner provided by Section 49.107, Water Code.

(d) The board may enter into a contract with a person, firm, partnership, or corporation as necessary to obtain and provide mosquito control. All available revenue accruing from the mosquito control may be used to defray the cost of the control.

(e) Section 311.005(2), Government Code (Code Construction Act), does not apply to this section.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.107. AWARD OF CONTRACTS. A contract for the making or construction of a district improvement and all necessary work related to the improvement shall be awarded to the lowest responsible bidder in the manner provided by Article 7919, Revised Statutes, as amended, if the cost exceeds $2,000.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
SUBCHAPTER D. BONDS AND TAXES

Sec. 6601.151. LIMITATION ON DEBT. The total principal amount of bonds that the district may have outstanding at any time may not exceed 10 percent of the assessed value of all taxable property in the district according to the most recent certified appraisal roll of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.152. APPROVAL BY TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. Before the district spends any money received from the sale of its bonds, the district must submit the plans and specifications of the proposed improvements to the Texas Commission on Environmental Quality for approval. If any substantial changes are made in the plans, the changes must also be submitted to the commission for approval.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.153. CONTINUATION OF PREVIOUS MAINTENANCE TAX. The district may continue to levy a maintenance tax authorized by Chapter 9, Special Laws, Acts of the 41st Legislature, 4th Called Session, 1930.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6601.154. DISTRICT TAX ASSESSOR AND COLLECTOR. The assessor and collector of taxes for Brazoria County is the assessor and collector of taxes for the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 6602. BRAZORIA COUNTY DRAINAGE DISTRICT NUMBER FIVE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6602.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.
(3) "District" means the Brazoria County Drainage District Number Five.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6602.002. NATURE OF DISTRICT. The district is a conservation and reclamation district under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6602.003. LEGISLATIVE FINDINGS. The legislature finds that:

1. providing the district with the powers authorized by Section 59, Article XVI, Texas Constitution, benefits the citizens and property in the district;
2. all property in the district benefits;
3. all property the district benefits is included in the district; and
4. the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6602.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 36, Acts of the 41st Legislature, 1st Called Session, 1929, as that territory may have been modified under:

1. Subchapter I, Chapter 56, Water Code, before September 1, 1995;
2. Subchapter J, Chapter 56, Water Code;
3. Subchapter J, Chapter 49, Water Code; or
4. other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05,
SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

Sec. 6602.051. BOARD OF DIRECTORS. (a) The board consists of three directors.

(b) The board has all the powers conferred on a board of directors under Chapter 56, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 6602.101. GENERAL POWERS AND DUTIES. The district has the rights, powers, privileges, and duties of a drainage district created under Section 59, Article XVI, Texas Constitution, including the right to:

(1) impose taxes; and

(2) issue bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 6602.151. DEPOSITING REVENUE. (a) Tax collections, after deductions of discounts and fees for collecting taxes, shall be deposited in the depository of the district. The collections may be withdrawn as directed by the board.

(b) All other district income shall be deposited in the district depository.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6602.152. RESPONSIBILITY FOR DISTRICT MONEY. (a) The board is responsible for all money the district receives.

(b) The county judge does not have a duty to countersign any warrants or checks. The county treasurer and the county auditor do
not have a duty to perform any services for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

**SUBCHAPTER E. TAXES**

Sec. 6602.201. IMPOSITION OF TAXES. Not later than October 1 of each year, for the benefit of the district, the board shall:

(1) impose a tax on all property subject to taxation in the district to:

(A) meet the requirements of district bonds; and
(B) provide for district maintenance and operating expenses; and

(2) immediately certify the tax rate to the assessor-collector of Brazoria County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6602.202. TAX ASSESSOR-COLLECTOR. (a) The tax assessor-collector of Brazoria County is the tax assessor-collector for the district.

(b) The tax assessor-collector shall charge and deduct from payments to the district amounts for the tax assessor-collector's services as may be agreed on by the tax assessor-collector and the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

**CHAPTER 6603. BROOKSHIRE-KATY DRAINAGE DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 6603.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of supervisors of the district.
(2) "District" means the Brookshire-Katy Drainage District.
(3) "Supervisor" means a member of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05,
Sec. 6603.002. NATURE OF DISTRICT. The district is:
(1) a conservation and reclamation district created and incorporated in Waller County under Section 59, Article XVI, Texas Constitution, for the sole purpose of the reclamation and drainage of the district's overflowed lands and other lands needing drainage;
(2) a fresh water supply district; and
(3) a municipal corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6603.003. FINDINGS OF BENEFIT AND PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the creation of the district and the improvements the district will purchase, construct, or otherwise acquire.
(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6603.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 203, Acts of the 57th Legislature, Regular Session, 1961 (Article 8280-249, Vernon's Texas Civil Statutes), as that territory may have been modified under:
(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.
(b) The legislature finds that the boundaries of the district as described by Section 1, Chapter 203, Acts of the 57th Legislature, Regular Session, 1961 (Article 8280-249, Vernon's Texas Civil Statutes), and the field notes relating to those boundaries form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, or validity;
(2) the district's authority to take any action authorized by this chapter and the general laws; or

(3) the legality or operation of the district or the board.

(c) It is the intention of the legislature that all land included in the district as created in 1961 be included in the boundaries of the district as described by Section 1, Chapter 203, Acts of the 57th Legislature, Regular Session, 1961 (Article 8280-249, Vernon's Texas Civil Statutes).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT BOARD OF SUPERVISORS
Sec. 6603.051. COMPOSITION OF BOARD. The board consists of five supervisors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6603.052. QUALIFICATIONS. A candidate for supervisor must:

(1) be at least 18 years of age;
(2) own land subject to taxation in the district; and
(3) reside in the area from which the candidate seeks election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6603.053. SUPERVISORS ELECTION. (a) For the election of supervisors, the district is divided into five areas, numbered one to five.

(b) Each candidate for supervisor must be designated on the official ballot according to the number of the area in which the candidate resides.

(c) Each district voter is entitled to vote for candidates from all five areas.

(d) The candidate from each area who receives the highest
SUBCHAPTER C. POWERS AND DUTIES

Sec. 6603.101. GENERAL POWERS AND DUTIES. To accomplish the purposes of Section 6603.002(1), the district has all the rights, powers, privileges, and duties conferred and imposed by general law, including Chapters 49 and 53, Water Code, on fresh water supply districts created under Section 59, Article XVI, Texas Constitution, including the power to conserve, transport, and distribute fresh water.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6603.102. CONSTRUCTION OF DRAINAGE FACILITIES OR IMPROVEMENTS. (a) Except as provided by Subsection (b), a person may not construct drainage facilities or improvements on or to serve a tract of land in the district unless the district has approved the plans and specifications for the facilities or improvements.

(b) Plans and specifications for drainage facilities or improvements located in the corporate limits or the extraterritorial jurisdiction of a municipality require only the approval of the municipality if:

(1) the municipality's corporate limits are located in more than one county;

(2) part of the municipality's corporate limits and extraterritorial jurisdiction in Waller County is located in the district;

(3) the municipality has a population of less than 100,000; and

(4) the drainage facilities or improvements are located outside district-owned property or facilities.

(c) The district may adopt reasonable rules and set reasonable standards to provide for adequate drainage construction in accordance with standard engineering practices. The rules and standards may require the drainage plan to be generally compatible with the
The district's master plan.

(d) The district by rule may establish procedures for:

1. the presentation of plans and specifications to the district; and

2. the review and disposition of the plans and specifications by the district.

(e) The district, after review by its engineer, shall determine the cost of any drainage facilities or improvements and recommend to the appropriate governing body with jurisdiction over the subdivision that a surety bond or other approved security in that amount for the construction of drainage facilities or improvements be secured in the name of the governing body. If the governing body does not secure a bond, the district may secure a bond for the cost of construction of drainage facilities or improvements.

(f) The district may refuse to approve plans and specifications if:

1. the plans and specifications do not comply with district rules; or

2. all applicable fees have not been paid.

(g) This section does not apply to agricultural activity.

(h) This section does not limit the authority or jurisdiction of a municipality or county to regulate plans and specifications for the construction of drainage facilities or improvements other than facilities owned or maintained by the district.

(i) The district's rules and standards for the construction of drainage facilities or improvements do not apply to a facility or improvement not owned or maintained by the district in the corporate limits of a municipality unless the governing body of the municipality or county requires the person to submit the plans and specifications for drainage construction to the district.

(j) The district may adopt rules to exempt from the requirements of this section a drainage facility or improvement on or to serve a tract of land in the district if the facility or improvement does not create an aggregate impervious area of more than one acre.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.067, eff.
Sec. 6603.103. CONSISTENCY OF RULES. Rules adopted by the district must be consistent with Chapters 49 and 53, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6603.104. LIMIT ON EMINENT DOMAIN POWER. The district may not exercise its power of eminent domain outside the district without the express consent of the governing body of the municipality or the commissioners court of the county in which the territory being condemned is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

SUBCHAPTER D. TAXES

Sec. 6603.151. IMPOSITION OF TAXES. (a) Taxes shall be imposed under the provisions of the general laws applicable to fresh water supply districts, including Chapters 49 and 53, Water Code. The district must hold an election required for the imposition or increase of taxes in the manner provided by Section 49.107, Water Code.

(b) The district may not impose taxes at a rate that exceeds 75 cents on the $100 valuation of taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6603.152. DISTRICT TAX ASSESSOR AND COLLECTOR. (a) The assessor and collector of taxes for Waller County is the assessor and collector of taxes for the district.

(b) For services to the district in assessing and collecting taxes for the district, the assessor and collector may deduct from all taxes collected on the current year’s tax rolls an amount of money to which the board agrees, not to exceed the amount provided by
the general laws relating to the imposition of ad valorem taxes.

(c) For the collection of delinquent taxes, the assessor and collector may receive compensation in the same manner as the assessor and collector receives for collecting delinquent state and county taxes. The assessor and collector may not duplicate a charge made for costs of suit related to enforcement of state and county taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

SUBCHAPTER E. ENFORCEMENT

Sec. 6603.201. CIVIL PENALTY. (a) A person who violates this chapter or a rule adopted under this chapter is liable to the district for a civil penalty of not less than $10 or more than $200 for each violation.

(b) Each day a violation continues is a separate violation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6603.202. INJUNCTIVE RELIEF. (a) The district may sue in a district court to enjoin a violation or threatened violation of this chapter or a rule adopted under this chapter.

(b) The district may sue for injunctive relief and a civil penalty in the same proceeding.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6603.203. DAMAGES, COURT COSTS, AND ATTORNEY'S FEES. If the district sues to recover a civil penalty or for injunctive relief under this chapter, or to recover any fee or charge under this chapter, the court may include in any final judgment in favor of the district an award for damages, the recovery of court costs, and reasonable attorney's fees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.
Sec. 6603.204. PENALTIES CUMULATIVE. A penalty under this subchapter is in addition to any other penalty authorized by law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

CHAPTER 6604. FORT BEND COUNTY DRAINAGE DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6604.001. DEFINITIONS. In this chapter:
(1) "Commissioners court" means the Commissioners Court of Fort Bend County.
(2) "District" means the Fort Bend County Drainage District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.03, eff. April 1, 2011.

Sec. 6604.002. NATURE OF DISTRICT. (a) The district is created under Section 59, Article XVI, Texas Constitution, for the reclamation and drainage of the district's overflowed lands and other lands needing drainage.

(b) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.03, eff. April 1, 2011.

Sec. 6604.003. DISTRICT TERRITORY. Unless the district territory has been modified under Subchapter J, Chapter 49, Water Code, or other law, the boundaries of the district are coextensive with the boundaries of Fort Bend County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.03, eff. April 1, 2011.
SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 6604.051. GOVERNING BODY. (a) The commissioners court is the governing body of the district and the agency through which the management and control of the district is administered.

(b) The commissioners court may perform any act necessary to carry out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.03, eff. April 1, 2011.

Sec. 6604.052. DUTIES OF COUNTY OFFICIALS IN CONNECTION WITH DISTRICT; DISTRICT OFFICERS, EMPLOYEES, AND AGENTS. (a) The county judge, county commissioners, county tax assessor-collector, county treasurer, and county depository of Fort Bend County shall perform all duties in connection with the district that are required by law in connection with official matters for Fort Bend County.

(b) The county auditor of Fort Bend County is the auditor for the district.

(c) The commissioners court may employ a general manager for the district and any other agents, attorneys, engineers, and employees considered necessary in connection with the purposes of this chapter. All compensation for a person employed under this subsection may be payable from funds created under this chapter for the maintenance and operation of the district.

(d) The commissioners court shall require the county tax assessor-collector, the county treasurer, and any other officers and employees, as designated by the commissioners court, to post bonds that are:

(1) payable to the district in amounts determined by the commissioners court; and

(2) conditioned on:

(A) the faithful performance of their duties; and

(B) paying over and accounting for all money and other things of value that belong to the district and come into their possession.

(e) A bond required under Subsection (d) must be executed by a surety company authorized to do business in this state and is subject to the approval of the commissioners court. The district shall pay the premiums on the bond.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 6604.101. GENERAL POWERS.  (a)  The district has the powers of government and the authority to exercise the rights, privileges, and functions provided by this chapter.
(b)  The district may perform any act necessary or proper to carry out a district purpose.

Sec. 6604.102. ACQUISITION OF PROPERTY; EMINENT DOMAIN.  (a) The district:
(1)  by gift, devise, purchase, lease, or exercise of the power of eminent domain, may acquire inside the district an easement, right-of-way, or other property needed to carry on the work of the district; and
(2)  by exercise of the power of eminent domain or otherwise, may acquire outside the district an easement or right-of-way.
(b)  Before the district acquires by exercise of the power of eminent domain an easement or right-of-way outside the district, the acquisition must be unanimously approved by the entire commissioners court of the county in which the easement or right-of-way is located.
(c)  The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Sec. 6604.103. DISPOSAL OR LEASE OF DISTRICT PROPERTY.  (a) The district may dispose of property or a property right that is not needed for a district purpose.
(b)  The district may lease property or a property right for a purpose that does not interfere with the district's use of the property.
Sec. 6604.104. GENERAL RECLAMATION AND DRAINAGE POWERS. The district may:

(1) devise plans and construct works to reclaim land in the district;

(2) provide drainage facilities for reclamation and drainage of the overflowed land and other land in the district that needs drainage;

(3) acquire or construct outside the district properties or facilities that in the judgment of the commissioners court are necessary to facilitate drainage and reclamation of land in the district;

(4) remove natural or artificial obstructions from streams or watercourses; and

(5) clean, straighten, widen, or maintain streams, watercourses, or drainage ditches.

Sec. 6604.105. ARRANGEMENTS WITH UNITED STATES. (a) The district may cooperate with, contract with, or receive a grant, loan, or advancement from the United States to exercise a district power or to further a district purpose.

(b) The district may contribute to the United States in connection with any project that is undertaken by the United States and affects or relates to a district purpose.

Sec. 6604.106. CONTRACTS AND COOPERATION WITH STATE AND POLITICAL SUBDIVISIONS. The district may cooperate and contract with this state or a political subdivision of this state to carry out a district purpose.
Sec. 6604.107. CONSTRUCTION ON PUBLIC LAND. (a) The district may construct works, ditches, canals, or other improvements over, across, or along:

(1) a public stream, road, or highway; or
(2) land belonging to this state.

(b) A plan for an improvement under Subsection (a) on a state highway is subject to the approval of the Texas Department of Transportation.

(c) A plan for an improvement under Subsection (a) on Texas Department of Criminal Justice land is subject to the approval of the Texas Board of Criminal Justice.

Sec. 6604.151. AD VALOREM TAX FOR MAINTENANCE AND OPERATIONS. (a) The commissioners court may impose a tax at a rate not to exceed 25 cents on each $100 valuation of taxable property in the district to pay the cost of maintaining district property and operating the district.

(b) The commissioners court may not impose the tax until the tax is authorized at an election:

(1) called for that purpose by the commissioners court in the manner provided by Section 6604.205; and
(2) at which a majority of the voters voting at the election vote in favor of the imposition of the tax.

Sec. 6604.152. TAX ASSESSOR-COLLECTOR. The county tax assessor-collector of Fort Bend County is the tax assessor-collector for the district.
SUBCHAPTER E. BONDS

Sec. 6604.201. AUTHORITY TO ISSUE BONDS. The commissioners court may:

(1) issue district bonds to finance carrying out any power or purpose granted by this chapter to the district; and

(2) provide for the payment of the interest on the bonds as it accrues and for a sinking fund for the redemption of the bonds as they mature by imposing a tax on all taxable property in the district, as shown by the most recent certified appraisal roll of the district, at a rate sufficient for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.03, eff. April 1, 2011.

Sec. 6604.202. LIMITATION ON DEBT. The total principal amount of bonds issued under Section 6604.201 that the district may have outstanding at any time may not exceed five percent of the assessed value of all taxable property in the district as shown by the most recent appraisal roll of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.03, eff. April 1, 2011.

Sec. 6604.203. FORM OF BONDS. (a) A district bond issued under this chapter must be:

(1) issued in the name of the district;

(2) signed by the county judge of Fort Bend County; and

(3) attested by the county clerk of Fort Bend County.

(b) If the bond is issued with one or more interest coupons, the coupons must be signed by the county judge and the county clerk of Fort Bend County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.03, eff. April 1, 2011.
Sec. 6604.204. MATURITY. District bonds issued under Section 6604.201 must mature not later than 30 years after their date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.03, eff. April 1, 2011.

Sec. 6604.205. ELECTION FOR BONDS PAYABLE FROM TAXES. (a) The commissioners court may not issue district bonds under Section 6604.201 until the issuance of the bonds and the imposition of taxes to pay the principal of and interest on the bonds are authorized by a majority of the voters voting at an election called for that purpose.

(b) The proposition for the issuance of district bonds may be submitted at any time the commissioners court considers proper.

(c) Chapter 1251, Government Code, applies to a district bond election except to the extent of any conflict with this chapter.

(d) If a majority of the voters voting at a district bond election vote in favor of the issuance of bonds and the imposition of taxes, the commissioners court may:

(1) issue, sell, and deliver the bonds;

(2) receive, use, and apply the proceeds for district purposes; and

(3) impose taxes on all property subject to taxation in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.03, eff. April 1, 2011.

Sec. 6604.206. ISSUANCE OF CERTAIN TIME WARRANTS PROHIBITED. The district may not issue time warrants payable from taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.03, eff. April 1, 2011.

CHAPTER 6605. BRAZORIA COUNTY DRAINAGE DISTRICT NO. 8

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6605.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Brazoria County Drainage District No. 8.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6605.002. NATURE OF DISTRICT. The district is a conservation and reclamation district under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6605.003. LEGISLATIVE FINDINGS. The legislature finds that:
(1) providing the district with the powers authorized by Section 59, Article XVI, Texas Constitution, benefits the citizens and property in the district;
(2) all property in the district benefits;
(3) all property the district benefits is included in the district; and
(4) the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6605.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 6, Special Laws, Acts of the 41st Legislature, 4th Called Session, 1930, as that territory may have been modified under:
(1) Subchapter I, Chapter 56, Water Code, before September 1, 1995;
(2) Subchapter J, Chapter 56, Water Code;
(3) Subchapter J, Chapter 49, Water Code; or
(4) other law.
Sec. 6605.051. BOARD OF DIRECTORS. (a) The board consists of three directors.
(b) The board has all the powers conferred on a board of directors under Chapter 56, Water Code.

Sec. 6605.101. GENERAL POWERS AND DUTIES. The district has the rights, powers, privileges, and duties of a drainage district created under Section 59, Article XVI, Texas Constitution, including the right to:
(1) impose taxes; and
(2) issue bonds.

Sec. 6605.151. DEPOSITING REVENUE. (a) Tax collections, after deductions of discounts and fees for collecting taxes, shall be deposited in the depository of the district. The collections may be withdrawn as directed by the board.
(b) All other district income shall be deposited in the district depository.

Sec. 6605.152. RESPONSIBILITY FOR DISTRICT MONEY. (a) The board is responsible for all money the district receives.
(b) The county judge does not have a duty to countersign any
warrants or checks. The county treasurer and the county auditor do not have a duty to perform any services for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

**SUBCHAPTER E. TAXES**

Sec. 6605.201. IMPOSITION OF TAXES. Not later than October 1 of each year, for the benefit of the district, the board shall:

(1) impose a tax on all property subject to taxation in the district to:

(A) meet the requirements of district bonds; and

(B) provide for district maintenance and operating expenses; and

(2) immediately certify the tax rate to the assessor-collector of Brazoria County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

Sec. 6605.202. TAX ASSESSOR-COLLECTOR. (a) The tax assessor-collector of Brazoria County is the tax assessor-collector for the district.

(b) The tax assessor-collector shall charge and deduct from payments to the district amounts for the tax assessor-collector's services as may be agreed on by the tax assessor-collector and the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.05, eff. April 1, 2009.

In accordance with Acts 2009, 81st Leg., Ch. 353, Sec. 3, if the creation of the district is not confirmed at a confirmation election before September 1, 2011, this chapter expires on that date.
(2) "Director" means a member of the board.
(3) "District" means the Starr County Drainage District.

Sec. 6606.002. NATURE OF DISTRICT. The district is a drainage district created in Starr County under Section 59, Article XVI, Texas Constitution, subject to approval at a confirmation election under Section 6606.102.

Sec. 6606.003. FINDINGS OF BENEFIT AND PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects that are to be accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 6606.004. DISTRICT TERRITORY. The district territory is coextensive with the boundaries of Starr County, Texas.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 6606.051. DIRECTORS. (a) The district is governed by a board of five directors consisting of the Commissioners Court of Starr County.
(b) Service on the board is an additional duty of office for a
member of the Commissioners Court of Starr County.

Added by Acts 2009, 81st Leg., R.S., Ch. 353 (H.B. 1178), Sec. 1, eff. September 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 6606.101. GENERAL POWERS AND DUTIES. The district has all rights, powers, privileges, functions, and duties provided by the general law of this state applicable to a drainage district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 56, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 353 (H.B. 1178), Sec. 1, eff. September 1, 2009.

Sec. 6606.102. CONFIRMATION ELECTION. (a) The board shall hold an election to confirm the creation of the district.

(b) Section 41.001(a), Election Code, does not apply to a confirmation election under this section.

(c) Except as provided by this section, the confirmation election must be conducted as provided by Sections 49.102(a)-(f), Water Code, and the Election Code.

(d) The district is not required to elect directors at the confirmation election.

Added by Acts 2009, 81st Leg., R.S., Ch. 353 (H.B. 1178), Sec. 1, eff. September 1, 2009.

Sec. 6606.103. UTILITY PROPERTY EXEMPTION FROM IMPACT FEES, STANDBY FEES, AND ASSESSMENTS. The district may not impose an impact fee, standby fee, or assessment on the property, including the equipment, rights-of-way, easements, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2009, 81st Leg., R.S., Ch. 353 (H.B. 1178), Sec. 1, eff. September 1, 2009.

For contingent expiration of this chapter, see Acts 2009, 81st Leg., R.S., Ch. 485 (S.B. 637), Sec. 3.

CHAPTER 6607. WHARTON COUNTY DRAINAGE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6607.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Wharton County Drainage District.

Added by Acts 2009, 81st Leg., R.S., Ch. 485 (S.B. 637), Sec. 1, eff. September 1, 2009.

Sec. 6607.002. NATURE OF DISTRICT. The district is a drainage district created in Wharton County under Section 59, Article XVI, Texas Constitution, subject to approval at a confirmation election under Section 6607.102.

Added by Acts 2009, 81st Leg., R.S., Ch. 485 (S.B. 637), Sec. 1, eff. September 1, 2009.

Sec. 6607.003. FINDINGS OF BENEFIT AND PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects that are to be accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 485 (S.B. 637), Sec. 1, eff. September 1, 2009.
Sec. 6607.004. DISTRICT TERRITORY. The district territory is coextensive with the boundaries of Wharton County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 485 (S.B. 637), Sec. 1, eff. September 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 6607.051. DIRECTORS. (a) The district is governed by a board of five directors consisting of the Commissioners Court of Wharton County.

(b) Service on the board is an additional duty of office for a member of the Commissioners Court of Wharton County.

Added by Acts 2009, 81st Leg., R.S., Ch. 485 (S.B. 637), Sec. 1, eff. September 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 6607.101. GENERAL POWERS AND DUTIES. The district has all rights, powers, privileges, functions, and duties provided by the general law of this state applicable to a drainage district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 56, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 485 (S.B. 637), Sec. 1, eff. September 1, 2009.

Sec. 6607.102. CONFIRMATION ELECTION. (a) The board shall hold an election to confirm the creation of the district.

(b) Section 41.001(a), Election Code, does not apply to a confirmation election under this section.

(c) Except as provided by this section, the confirmation election must be conducted as provided by Sections 49.102(a)-(f), Water Code, and the Election Code.

(d) The district is not required to elect directors at the confirmation election.

Added by Acts 2009, 81st Leg., R.S., Ch. 485 (S.B. 637), Sec. 1, eff. September 1, 2009.
CHAPTER 6610.  SAN PATRICIO COUNTY DRAINAGE DISTRICT

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 6610.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Commissioners court" means the San Patricio County Commissioners Court.
(3) "Director" means a member of the board.
(4) "District" means the San Patricio County Drainage District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.002.  NATURE OF DISTRICT.  The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution, to provide drainage for the district and reclamation and drainage of the district's overflowed lands and other lands needing drainage.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.003.  FINDINGS OF BENEFIT AND PURPOSE.  (a) All property in the district and in this state will benefit from the district, the improvements and facilities acquired or constructed under this chapter, and all the provisions of this chapter.

(b) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.004.  DISTRICT TERRITORY.  The district's boundaries are coextensive with the boundaries of San Patricio County unless the district's territory has been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.005. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 6610.051. COMPOSITION OF BOARD; TERMS. (a) The board consists of five directors appointed by the commissioners court as follows:

(1) one director appointed from each county commissioners precinct; and

(2) one director appointed from the county at large.

(b) Directors serve staggered two-year terms, with the terms of two directors expiring on January 31 of each even-numbered year and the terms of three directors expiring on January 31 of each odd-numbered year.

(c) In January of each year, the commissioners court shall appoint directors to succeed directors whose term of office will expire January 31. The appointed directors' terms begin on February 1 of that year.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.052. QUALIFICATIONS FOR OFFICE. (a) A director must:

(1) be at least 18 years of age;

(2) be a resident of this state; and

(3) own land subject to taxation in the district.

(b) A director appointed from a county commissioners precinct must be a resident of the precinct for which the director is appointed.
(c) A person is not eligible to serve as a director if the person owes delinquent taxes to San Patricio County.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.053. DIRECTOR'S BOND. (a) Each director shall furnish a bond for $5,000 payable to the district and conditioned on faithful performance of the director's duties.

(b) The bonds must be submitted to the commissioners court for approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.054. COMPENSATION OF DIRECTORS. (a) Each director shall receive compensation as set by the commissioners court in an amount not to exceed the sum of $2,400 in any one calendar year.

(b) In all areas of conflict with Subsection (a) of this section, Section 49.060, Water Code, takes precedence.

(c) A director's compensation may be increased as authorized by Section 49.060, Water Code, by resolution adopted by the board in accordance with Subsection (e) of that section on or after September 1, 1995.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.055. BOARD VACANCY. If a vacancy occurs in the office of director, the commissioners court shall appoint a director for the unexpired term.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.056. BOARD MEETINGS. (a) The board shall hold regular meetings at least once each calendar month at times
prescribed by order adopted by the board.

(b) The board shall hold special meetings when called by the board president or by any two other directors. The board secretary shall give written notice of a special meeting to each director. A director may waive the notice.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.057. DISTRICT OFFICE. The board shall designate the location of the district's principal office at any place within the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.058. DISTRICT EMPLOYEES. (a) The board shall set the compensation of the general manager, attorneys, engineers, and all other employees of the district.

(b) The board shall set the term and time of employment of all employees of the district and the method by which an employee may be discharged.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 6610.101. GENERAL POWERS. (a) The district has the powers of government and may exercise the rights, privileges, and functions provided under this chapter.

(b) The district may perform any act necessary or proper to carry out a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.102. GENERAL RECLAMATION AND DRAINAGE POWERS. The
district may:

(1) devise plans and construct works to lessen and control floods and excess water;
(2) reclaim land in the district;
(3) provide drainage facilities and improvements for the reclamation and drainage of the overflowed land and other land in the district that needs drainage;
(4) acquire and construct properties, facilities, and improvements inside or outside the district that in the judgment of the board are necessary to lessen and control floods in the district or to facilitate drainage and reclamation of land in the district;
(5) remove natural or artificial obstructions from streams and watercourses; and
(6) clean, straighten, widen, and maintain streams, watercourses, and drainage ditches.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.103. ACQUISITION OF PROPERTY; EMINENT DOMAIN. (a) The district, by gift, devise, purchase, lease, or condemnation, may acquire an easement, right-of-way, or other property needed to carry on the work of the district.

(b) The district may exercise the power of eminent domain. Procedures with reference to condemnation, the assessment and estimation of damages, payment, appeal, and entrance on property pending appeal, and all other procedures prescribed by Chapter 21, Property Code, apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.104. CONSTRUCTION ON PUBLIC LAND. (a) The district may construct, acquire, own, and operate works, ditches, canals, or other improvements over, across, through, under, or along:

(1) a public stream, canal, road, or highway; or
(2) land belonging to this state.

(b) A plan for an improvement under Subsection (a) on a state highway is subject to the approval of the Texas Department of
Transportation.

(c) A plan for an improvement under Subsection (a) on Texas Department of Criminal Justice land is subject to the approval of the Texas Board of Criminal Justice.

(d) A plan for an improvement of a public water supply canal or public stream under Subsection (a) is subject to the approval of the state or federal agency that has jurisdiction over or that owns the public water supply canal or stream.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.105. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power makes necessary the relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a railroad, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.106. DISPOSAL OF DISTRICT PROPERTY. (a) The district may sell, trade, or otherwise dispose of property or a property right that is no longer needed for a district purpose.

(b) District land that adjoins privately owned land shall revert to the adjoining landowner when no longer needed for a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.107. DISPOSAL OF IMPOUNDED WATER. The district may
sell or otherwise dispose of any water impounded by a district improvement under conditions, contracts, and terms determined by the board, subject to the approval of any other political subdivision that has been granted rights to the water before May 13, 1969.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.108. CONTRACTS AND COOPERATION WITH STATE AND POLITICAL SUBDIVISIONS. The district may cooperate and contract with an agency or political subdivision of this state to carry out a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.109. ARRANGEMENTS WITH UNITED STATES. (a) The district may cooperate with, contract with, or receive a grant, loan, or advancement from the United States to carry out a district power or to further a district purpose.

(b) The district may contribute to the United States in connection with any project that is undertaken by the United States and affects or relates to a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 6610.151. DISBURSEMENT OF MONEY. The district may disburse its money only by a check, draft, order, or other written instrument signed by a person authorized to sign the instrument by board order or resolution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.152. ACCOUNTS, CONTRACTS, AND OTHER RECORDS; PUBLIC
INSPECTION. (a) The board shall keep complete and accurate accounts conforming to approved methods of bookkeeping.

(b) The accounts and all contracts, documents, and records of the district shall be maintained at a place or places in the district designated by the board.

(c) All contracts, documents, and records of the district shall be open for public inspection at all reasonable times.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.153. FILING OF COPIES OF AUDIT REPORT. Copies of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be certified to by the accountant who performed the audit and filed:

(1) as required by Section 49.194, Water Code; and

(2) with the state auditor.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.154. DEPOSITORY. (a) The board shall designate one or more banks in the district to serve as a depository for district money.

(b) All district money shall be deposited in a depository bank, except that sufficient money shall be remitted to the appropriate bank of payment to pay the principal of and interest on the district's outstanding bonds on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) If the board designates a depository bank as the treasurer of the district, the bank shall serve as the treasurer.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.
SUBCHAPTER E. TAXES

Sec. 6610.201. AD VALOREM TAX FOR MAINTENANCE AND OPERATION.
(a) The board may impose an annual ad valorem tax at a rate not to exceed 35 cents on each $100 valuation of taxable property in the district for the maintenance, operation, upkeep, and improvement of the district and the district's facilities, properties, and improvements.
(b) The board may hold elections to increase, reduce, or abate a tax imposed under this section, subject to the limitation prescribed by Subsection (a).
(c) An election to authorize the imposition of the tax or a subsequent tax election must be held as provided by Section 6610.202.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.202. ELECTION FOR MAINTENANCE AND OPERATION TAX. (a) The order calling an election under Section 6610.201 must specify:
(1) the date of the election;
(2) the location of the voting places; and
(3) the presiding judge for each voting place.
(b) Notice of the election must be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in San Patricio County. The notice must be published once each week for two consecutive weeks. The first publication must be at least 14 days before the date of the election.
(c) In addition to the requirements of the Election Code, the ballots for an election for the imposition of a maintenance and operation tax must have printed on them "For Maintenance tax" and the contrary of that proposition.
(d) The failure of an election does not prohibit subsequent elections for the same purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.203. TAX ASSESSOR-COLLECTOR. The San Patricio County tax assessor-collector shall assess and collect taxes imposed by the board.
Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.204. CERTIFICATION OF TAX RATE. Each year, the board shall certify to the San Patricio County tax assessor-collector the rate or rates of tax that the board has imposed for bond and maintenance purposes.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

SUBCHAPTER F. BONDS

Sec. 6610.251. AUTHORITY TO ISSUE BONDS; TAXES FOR BONDS. (a) The board may issue district bonds to acquire money to accomplish any district purpose or carry out any power granted under this chapter to the district.

(b) The board may impose continuing direct annual ad valorem taxes on all taxable property in the district sufficient to:

(1) provide for the payment of the interest on the bonds as the interest accrues; and

(2) create and provide for a sinking fund to pay the principal of the bonds as the principal matures.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.252. FORM OF BONDS. District bonds and any interest coupons appurtenant to the bonds must be signed and executed as provided by the board in the order authorizing the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6610.253. MATURITY. District bonds must mature not later than 40 years after their date of issuance.
Sec. 6610.254. ELECTION REQUIRED. (a) Bonds, other than
refunding bonds, may not be issued under Section 6610.251 unless
first authorized by a majority of the voters voting at an election
held to determine whether the bonds should be issued and whether a
tax should be imposed to pay the principal of and interest on the
bonds.

(b) If a majority of the voters voting at a district bond
election vote in favor of the issuance of bonds and the imposition of
taxes, the board may:

   (1) issue, sell, and deliver the bonds;
   (2) receive and use the proceeds for district purposes; and
   (3) impose taxes on all taxable property in the district
       sufficient to pay the interest on and principal of the bonds.

(c) Notice of the election shall be given in the manner
provided by Section 6610.202.

(d) In addition to the requirements of the Election Code, the
ballots must have printed on them "For the bonds and levy of taxes
in payment thereof" and the contrary of that proposition.

Sec. 6610.255. USE OF BOND PROCEEDS. (a) The board may
appropriate or set aside out of proceeds from the sale of district
bonds an amount for:

   (1) the payment of interest expected to accrue during the
       period of construction of improvements or facilities; and
   (2) the payment of all expenses incurred and to be incurred
       in the issuance, sale, and delivery of the bonds.

(b) For purposes of this section, the period of construction
may not exceed three years.
Sec. 6611.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Willacy County Drainage District No. 2.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6611.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution, for the sole purpose of the reclamation and drainage of the district's overflowed lands and other lands needing drainage.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6611.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the creation of the district and the improvements the district will purchase, construct, or otherwise acquire.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6611.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 2, Chapter 11, Acts of the 61st Legislature, Regular Session, 1969, as that territory may have been modified under:

(1) Subchapter G, Chapter 53, Water Code, before September 1, 1995;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 6611.051. COMPOSITION OF BOARD. The board consists of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6611.052. DUTIES OF COUNTY OFFICIALS IN CONNECTION WITH DISTRICT; DISTRICT OFFICERS, EMPLOYEES, AND AGENTS. (a) The county tax assessor-collector, county treasurer, and county depository of Willacy County shall perform all duties in connection with the district that they are required to perform by law in connection with official matters for Willacy County.

(b) The board may employ a general manager for the district and any other agents, attorneys, engineers, and employees considered necessary in connection with the purposes of this chapter. All compensation for a person employed under this subsection may be payable from funds created under this chapter for the maintenance and operation of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 6611.101. GENERAL POWERS AND DUTIES. To accomplish the purpose of reclaiming and draining the district's overflowed lands and other lands needing drainage, the district has all the rights, powers, privileges, and duties provided by general law applicable to a fresh water supply district created under Section 59, Article XVI, Texas Constitution, including the power to conserve, transport, and distribute fresh water.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01,
Sec. 6611.102. DISTRICT POWERS. (a) The district may construct, acquire, improve, enlarge, extend, repair, maintain, or replace any wall, dam, dike, levee, embankment, canal, drain, tank, lateral, or pump that the board considers necessary to carry out the district's purpose.

(b) The district may make, construct, or otherwise acquire an improvement inside or outside the district's boundaries as necessary to carry out the powers granted by this chapter or general law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6611.103. EMINENT DOMAIN. The district's power of eminent domain is confined to Willacy County.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6611.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.
Sec. 6611.105. ADDITION OF TERRITORY TO DISTRICT. (a) In addition to adding land as provided by Subchapter J, Chapter 49, Water Code, the district may add land as provided by this section. Land added to the district need not be contiguous to the district.

(b) The owner or owners of land may request by petition that the board include the land in the district.

(c) A petition under Subsection (b) must be filed with the board and describe the land to be added to the district. The description may be by metes and bounds or by lot and block number. The petition must be signed and executed in the manner provided by law for the conveyance of real estate.

(d) The board shall hear and consider a petition filed under this section. The board may grant the petition and add the land to the district if the board considers the addition to be to the advantage of the district.

(e) A petition granted under this section shall be filed and recorded in the deed records of Willacy County.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

SUBCHAPTER D. TAXES

Sec. 6611.151. AD VALOREM TAX FOR MAINTENANCE AND OPERATIONS. (a) The board may impose a tax at a rate not to exceed 25 cents on each $100 valuation of taxable property in the district to pay the cost of maintaining district property and operating the district.

(b) An election to authorize the imposition of the tax must be called by the board in the manner provided by Section 6611.204.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6611.152. TAX ASSESSOR-COLLECTOR. The Willacy County tax assessor-collector is the tax assessor-collector for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.
SUBCHAPTER E. BONDS

Sec. 6611.201. AUTHORITY TO ISSUE BONDS; TAXES FOR BONDS. (a) The board may issue district bonds to acquire money to accomplish any district purpose or carry out any power granted under this chapter to the district.

(b) The board may impose a tax on all taxable property in the district, as shown by the most recent certified appraisal roll of the district, sufficient to:

(1) provide for the payment of the interest on the bonds as the interest accrues; and

(2) create a sinking fund for the redemption of the bonds as the bonds mature.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6611.202. LIMITATION ON DEBT. The total principal amount of bonds issued under Section 6611.201 that the district may have outstanding at any time may not exceed 15 percent of the assessed value of all taxable property in the district as shown by the most recent appraisal roll of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6611.203. MATURITY. District bonds issued under Section 6611.201 must mature not later than 30 years after their date of issuance.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6611.204. BOND ELECTION. (a) The board may submit a proposition for the issuance of district bonds under Section 6611.201 at an election called for that purpose at any time the board considers proper.

(b) Chapter 1251, Government Code, applies to a district bond election except to the extent of any conflict with this chapter.
(c) If a majority of the voters voting at a district bond election vote in favor of the issuance of bonds and the imposition of taxes, the board may:

(1) issue, sell, and deliver the bonds;
(2) receive, use, and apply the proceeds for district purposes; and
(3) impose taxes on all property subject to taxation in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

CHAPTER 6612. CAMERON COUNTY DRAINAGE DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6612.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Commissioners court" means the Cameron County Commissioners Court.
(3) "Director" means a member of the board.
(4) "District" means the Cameron County Drainage District No. 1.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6612.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Cameron County created under Section 59, Article XVI, Texas Constitution, for all purposes of that section, including the reclamation and drainage of its seeped, salty, waterlogged, and overflowed land and other land needing drainage.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6612.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The conversion of the district into a conservation and reclamation district under Section 59, Article XVI, Texas Constitution, and the provision to the district of the powers conferred by that section:
(1) will benefit the residents and property in the district; and
(2) benefit all property included in the district.
(b) No property which is benefited is not included in the district.
(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6612.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 145, Acts of the 41st Legislature, Regular Session, 1929, as that territory may have been modified under:
(1) Subchapter I, Chapter 56, Water Code, before September 1, 1995;
(2) Subchapter J, Chapter 56, Water Code;
(3) Subchapter J, Chapter 49, Water Code; or
(4) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 6612.051. COMPOSITION OF BOARD. The board consists of three directors appointed by the commissioners court.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 6612.101. GENERAL POWERS AND DUTIES. (a) The district has the:
(1) rights, powers, functions, and privileges provided to a conservation and reclamation district by the Texas Constitution and general law;
(2) rights, powers, privileges, and duties provided to a
drainage district created under Section 59, Article XVI, Texas Constitution, and organized under general law, including Chapters 49 and 56, Water Code; and

(3) powers of government and the authority to exercise the rights, privileges, and functions conferred by this chapter.

(b) The district has the right and power of a drainage district organized under Chapter 56, Water Code, to impose taxes and issue bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

CHAPTER 6613. CAMERON COUNTY DRAINAGE DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6613.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Cameron County Drainage District No. 3.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6613.002. NATURE OF DISTRICT. The district is a drainage district created as a conservation and reclamation district under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6613.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The conversion of the district into a conservation and reclamation district under Section 59, Article XVI, Texas Constitution:

(1) is feasible, practicable, and needed;
(2) will be a public benefit and a public utility; and
(3) will benefit all land and property included in the district.

(b) All property in the district is benefited, and no property
benefited is not included in the district.

(c) No land is included in the district except land that will be benefited.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6613.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 2, Chapter 45, Acts of the 41st Legislature, Regular Session, 1929, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 6613.051. COMPOSITION OF BOARD. The board consists of three directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6613.052. COMPENSATION OF DIRECTORS. (a) A director shall receive for the director's services not more than $5 per day for the time the director is actually engaged in the work of the district, which shall be set by order of the commissioners court.

(b) In all areas of conflict with Subsection (a) of this section, Section 49.060, Water Code, takes precedence.

(c) A director's compensation may be increased as authorized by Section 49.060, Water Code, by resolution adopted by the board in accordance with Subsection (e) of that section on or after September 1, 1995.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 6613.101. GENERAL POWERS. The district has the powers, functions, and privileges provided under Section 59, Article XVI, Texas Constitution, and the general laws governing drainage districts.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6613.102. CONTROL, CONSTRUCTION, AND REPAIR OF DISTRICT IMPROVEMENTS; CONTRACTS FOR NEW CONSTRUCTION. (a) The board may control and supervise the construction and maintenance of canals, drains, ditches, levees, and other improvements of the district and shall keep them in repair.

(b) The board may construct new improvements necessary for the drainage of land in the district.

(c) A contract for new construction may or may not be let on bids and contracts as provided by law, within the discretion of the board as may seem for the best interest of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 6613.151. TAXES. The board shall annually impose taxes on all taxable property in the district:

(1) in an amount sufficient to pay the interest as it becomes due on district bonds and to create a sinking fund for the payment of the bonds at maturity; and

(2) to pay for the maintenance and operation of the district and necessary improvements to be made for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6613.152. DISTRICT FUNDS. (a) The interest and sinking fund consists of taxes collected for the fund. Money in the interest and sinking fund may be paid out only to:
(1) pay district bonds and satisfy and discharge interest on the bonds; and

(2) defray the expense of imposing a tax for the fund.

(b) The maintenance and improvement fund consists of money collected by assessment or other sources for:

(1) the maintenance of property owned or acquired by the district;

(2) necessary improvements to be made by the district; and

(3) the general purposes of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

CHAPTER 6614.  OLD RIVER DRAINAGE DISTRICT OF LIBERTY COUNTY, TEXAS, NO. 1

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 6614.001.  DEFINITION.  In this chapter, "district" means the Old River Drainage District of Liberty County, Texas, No. 1.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6614.002.  NATURE OF DISTRICT.  The district is a conservation and reclamation district under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

Sec. 6614.003.  FINDINGS OF BENEFIT.  The conversion of the district into a conservation and reclamation district under Section 59, Article XVI, Texas Constitution, and the provision to the district of the powers conferred by that section will benefit the residents of and property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.
Sec. 6614.004. GOVERNING LAW. The general laws applicable to conservation and reclamation districts govern the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

SUBCHAPTER B. POWERS

Sec. 6614.051. GENERAL POWERS. The district has the powers conferred by Section 59, Article XVI, Texas Constitution, to a conservation and reclamation district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.01, eff. April 1, 2017.

SUBTITLE B. FRESH WATER SUPPLY DISTRICTS

CHAPTER 6901. BAYVIEW MUNICIPAL UTILITY DISTRICT OF GALVESTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6901.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Bayview Municipal Utility District of Galveston County, Texas.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6901.002. NATURE OF DISTRICT. The Bayview Municipal Utility District of Galveston County is:

(1) a conservation and reclamation district established under Section 59, Article XVI, Texas Constitution; and

(2) a fresh water supply district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6901.003. DECLARATION AND FINDINGS. (a) The legislature declares that the district is:

(1) essential to the accomplishment of the purposes of Section 59, Article XVI, Texas Constitution; and

(2) a municipal corporation.
(b) The legislature finds that:

(1) the district is created to serve a public use and benefit; and

(2) all land and other property included in the district are, and will be, benefited by the creation of the district and the improvements that the district purchases, constructs, or otherwise acquires.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6901.004. TERRITORY OF DISTRICT. The district is composed of the territory described by Section 1, Chapter 245, Acts of the 58th Legislature, Regular Session, 1963 (V.A.C.S. Art. 8280-287), as that territory may have been modified under:

(1) Section 6901.058 or its predecessor statute, Section 5, Chapter 245, Acts of the 58th Legislature, Regular Session, 1963 (V.A.C.S. Art. 8280-287);

(2) Chapter 4, Title 128, Revised Statutes, before August 30, 1971;

(3) Subchapter G, Chapter 53, Water Code, before September 1, 1995;

(4) Subchapter J, Chapter 49, Water Code; or

(5) other law.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 6901.051. GENERAL POWERS AND DUTIES. The district has all the rights, powers, privileges, and duties conferred and imposed by a general law of this state on a fresh water supply district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 53, Water Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6901.053. BOARD OF DIRECTORS. The board consists of five directors.
Sec. 6901.054. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the boundaries of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6901.055. LIMITATION ON LENGTH OF CERTAIN CONTRACTS. A district contract for the purchase or sale of water may not exceed 40 years.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6901.056. INSTALLMENT OF STREET LIGHTS. (a) After voter approval, the district may:

(1) install, operate, and maintain street lighting within a public utility easement or public right-of-way inside the district's boundaries; and

(2) assess the cost of installing, operating, and maintaining the street lighting as an additional charge in the monthly billings of the district's customers.

(b) This section does not authorize the district to install, operate, or maintain street lighting on a right-of-way that is part of the designated state highway system.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6901.057. DISTRICT TAX ASSESSOR AND COLLECTOR. (a) The board shall appoint a tax assessor and collector for the district for a period not to exceed the term of office of the directors making the appointment.

(b) The district's tax assessor and collector is not required to be a resident or voter of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 6901.058. ADDITION OF TERRITORY TO DISTRICT. (a) In addition to the method of adding territory to a district provided by Subchapter J, Chapter 49, Water Code, the district may add territory as provided by this section.

(b) The owner or owners of land may request by petition that the board include the land in the district.

(c) A petition under Subsection (b) must be filed with the board and describe the land to be added to the district. The description may be by metes and bounds or by lot and block number. The petition must be signed and executed in the manner provided by law for the conveyance of real estate.

(d) The board shall hear and consider a petition filed under this section. The board may add the land to the district if the board considers the addition to be to the advantage of the district.

(e) A petition granted under this section shall be filed and recorded in the deed records of Galveston County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6901.059. ACQUISITION OF IMPROVEMENTS. The district may make, construct, or otherwise acquire improvements inside or outside the district that are necessary or convenient to execute a power granted to the district under this chapter or a general law described in Section 6901.051.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 6901.060. COST OF RELOCATING PROPERTY. (a) In this section "sole expense" means the actual cost of the relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described in Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district, in the exercise of the power of eminent domain or relocation or another power granted under this chapter, makes necessary the relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, a railroad, an electric transmission line, telephone or telegraph properties and facilities, or a pipeline, the necessary relocating, raising,
rerouting, changing of grade, or alteration of construction shall be accomplished at the sole expense of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 2590, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 6901.061. DEFINED AREAS. (a) Notwithstanding the limitation on authorization based on acreage under Section 54.801(a), Water Code, the district may establish and administer defined areas as provided by Subchapter J, Chapter 54, Water Code.

(b) Under Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate in a defined area established under this section:

(1) macadamized, graveled, or paved roads; or
(2) improvements, including storm drainage, in aid of those roads.

(c) The district may issue bonds or other obligations as provided by Chapters 49 and 53, Water Code, to finance the construction, acquisition, improvement, maintenance, or operation of projects under Subsection (b).

(d) The district may impose an ad valorem tax on real property in a defined area to pay the principal of or interest on bonds issued under Subsection (c) to finance projects benefiting the defined area.

(e) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxes to finance a project authorized by Subsection (b) unless the issuance is approved by a vote of a two-thirds majority of the voters of the defined area to be benefited by the project as provided by Subchapter J, Chapter 54, Water Code, voting at an election called for that purpose. The simple majority vote approval required by Section 54.808(a), Water Code, does not apply to an election under this subsection.

(f) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance projects authorized by Subsection (b) benefiting a defined area may not exceed one-fourth of the assessed value of the real property in the defined area.
CHAPTER 6902.  CRANE COUNTY WATER DISTRICT
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 6902.001.  DEFINITIONS.  In this chapter:
(1)  "Board" means the district's board of directors.
(2)  "Director" means a member of the board.
(3)  "District" means the Crane County Water District.

Sec. 6902.002.  NATURE OF DISTRICT.  The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Sec. 6902.003.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The accomplishment of the purposes stated in this chapter is for:
(1)  the benefit of the people of this state; and
(2)  the improvement of their property and industries.
(b)  The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

Sec. 6902.004.  DISTRICT TERRITORY.  The district includes all of the territory in the boundaries of Crane County as the boundaries of that county existed on January 1, 1985, and as the district territory may have been modified under:
(1)  Subchapter J, Chapter 49, Water Code; or
(2)  other law.
Sec. 6902.005. SUFFICIENT AUTHORITY FOR ENTITIES TO ACT. This chapter provides sufficient authority to issue district bonds, execute contracts and conveyances, and perform any other act or procedure authorized under this chapter by the district, the City of Crane, public agencies, special districts, and other political subdivisions, without reference to other law or a restriction or limitation contained in other law, except as specifically provided by this chapter.

Sec. 6902.051. COMPOSITION OF BOARD. The district is governed by a board composed of five directors appointed by the Commissioners Court of Crane County. The directors occupy numbered places on the board, with the places numbered as Places 1, 2, 3, 4, and 5.

Sec. 6902.052. TERMS. Each appointed director shall serve for a term of two years, with the terms of the directors appointed to occupy Places 1 and 2 expiring on June 1 of each even-numbered year and the terms of the directors appointed to occupy Places 3, 4, and 5 expiring on June 1 of each odd-numbered year.

Sec. 6902.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible for appointment as a director, a person must be:

(1) a qualified district voter; and
(2) a district resident.
(b) A director is eligible for reappointment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.054. EX OFFICIO DIRECTORS. The county judge of Crane County and the mayor of the City of Crane shall serve as ex officio directors. The county judge and mayor are entitled to attend all board meetings and participate in all board proceedings but are not entitled to vote on matters before the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.055. VACANCY. The Commissioners Court of Crane County by appointment shall fill a vacancy on the board for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.056. REMOVAL FROM OFFICE. After reasonable notice and a public hearing, the remaining members of the board may remove a director from office for misfeasance, malfeasance, or wilful neglect of duty. Reasonable notice and a public hearing are not required if the director to be removed expressly waives the notice and hearing in writing.

 Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.057. QUORUM. Any three regular directors constitute a quorum.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6902.058. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a) The district shall act through resolutions adopted by the board. (b) All regular directors are entitled to vote on matters before the board. (c) The affirmative vote of at least three of the regular directors is necessary to adopt a resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.059. OFFICERS AND ASSISTANTS. (a) The board shall elect a president, vice president, secretary, and treasurer at the first meeting of the board in March of each year or at any time necessary to fill a vacancy. (b) The board shall elect the president and vice president from among the directors. The president and vice president shall serve for terms of one year. (c) The offices of secretary and treasurer: (1) may be held by one person; and (2) are not required to be held by a director. (d) The board may appoint as assistant board secretary one or more persons who are not directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.060. OFFICER DUTIES. (a) The board president shall preside at board meetings and perform other duties prescribed by the board. (b) The board secretary is the official custodian of the minutes, books, records, and seal of the board and shall perform other duties and functions prescribed by the board. An assistant board secretary may perform any duty or function of the board secretary. (c) The board treasurer shall perform duties and functions prescribed by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6902.061.  MEETINGS.  The board shall have regular meetings at times specified by board resolution and shall have special meetings when called by the board president or by any three directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.062.  PERSONAL LIABILITY OF DIRECTORS.  A director is not personally liable for any bond issued or contract executed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER C.  POWERS AND DUTIES

Sec. 6902.101.  GENERAL POWERS.  The district may exercise all powers necessary or appropriate to carry out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.102.  AUTHORITY TO SUE AND BE SUED.  The district may sue and be sued in the district's own name.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.103.  SEAL.  The board may adopt an official seal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6902.104.  BYLAWS; RULES.  The board may adopt and enforce bylaws and rules.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.105.  GIFTS AND GRANTS.  The district may request and accept any appropriation, grant, allocation, subsidy, guaranty, aid, service, material, or gift from any person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.106.  OFFICE.  The district may operate and maintain an office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.107.  EMPLOYEES, AGENTS, AND OFFICERS.  The district may appoint and determine the duties, tenure, qualifications, and compensation of the officers, employees, agents, and professional advisors and counselors of the district, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financial experts the board considers necessary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.108.  WATER CONSERVATION PROGRAM.  (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future uses.

(b) The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and
enforceable by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.109. WATER PERMITS. (a) The district may obtain water appropriation permits and diversion permits from the Texas Commission on Environmental Quality.

(b) The district may acquire water appropriation permits from owners of permits by contract or otherwise.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.110. GENERAL AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A municipality, public agency, special district, or other political subdivision of the state, including the City of Crane, may enter into a contract or agreement with the district for a water supply, or for any purpose relating to the district's powers or functions, on terms agreed to by the parties. Approval, notice, consent, or an election is not required in connection with a contract or agreement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.111. CONTRACTS TO SUPPLY WATER. (a) The district may contract with municipalities, public agencies, special districts, other political subdivisions of the state, and other entities, including the City of Crane, for supplying water to them. The district may sell water inside or outside the boundaries of the district.

(b) A contract with the City of Crane must provide that the city will pay to the district a portion of any surplus revenue from the operation of the city's water system.

(c) The district may contract with a municipality, public agency, special district, or other political subdivision of the state...
for the rental or leasing of or for the operation of the water production, water field, water supply, water filtration or purification, or water supply facilities of the entity on the consideration agreed to by the district and the entity.

(d) A contract may include the terms and be for the time agreed to by the parties.

e) A contract may provide that it will continue in effect until bonds specified in it and refunding bonds issued in lieu of those bonds are paid.

(f) The district may contract with the City of Crane for the operation of the district's water facilities by the City of Crane. An election is not required in connection with the contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.112. SOURCES FOR WATER; ACQUISITION OF LAND; STORAGE CAPACITY. (a) The district may acquire or construct inside or outside the district one or more reservoirs and any work, water well, water field, pump, plant, transmission line, or other facility necessary or useful to divert, impound, drill for, store, treat, or transport water to the City of Crane and others for municipal, domestic, industrial, mining, oil flooding, or other useful purposes.

(b) The district may acquire land or an interest in land, inside or outside the district, for any work, water well, water field, pump, plant, or other facility necessary or useful to divert, impound, drill for, store, treat, or transport water to the City of Crane and others for municipal, domestic, industrial, mining, oil flooding, or any other useful purpose.

(c) The district may lease, purchase, or otherwise acquire rights in and to storage and storage capacity in any reservoir constructed or to be constructed by any person.

(d) The district may develop or otherwise acquire underground sources of water.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.113. ACQUISITION, DISPOSAL, AND MANAGEMENT OF
PROPERTY. The district may:

(1) acquire, own, rent, lease, accept, hold, or dispose of property or an interest in property, including a right or easement, by any means, including purchase, exchange, gift, assignment, condemnation, sale, or lease, to perform a duty or exercise a power under this chapter;

(2) sell, assign, lease, encumber, mortgage, or otherwise dispose of property or an interest in property, and release or relinquish a right, title, claim, lien, interest, easement, or demand by public or private sale, with or without public bidding, notwithstanding any other law;

(3) lease or rent any land, buildings, structures, or facilities to carry out the purposes of this chapter; and

(4) manage, operate, or improve property.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.114. CONSTRUCTION CONTRACTS. (a) The district may award a construction contract that requires an expenditure of more than $5,000 only after publication of notice to bidders once each week for two consecutive weeks in a newspaper of general circulation in the district.

(b) The notice is sufficient if it states:
(1) the time and place for opening the bids;
(2) the general nature of the work to be done or the material, equipment, or supplies to be purchased; and
(3) the place where the terms of bidding and copies of the plans and specifications may be obtained.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.115. CONVEYANCE OF LAND TO DISTRICT. A municipality, public agency, special district, or other political subdivision of the state, including the City of Crane, may lease, sell, or otherwise convey its land or an interest in land to the district for consideration that the parties agree is adequate. Approval, notice, consent, or an election is not required in connection with a
conveyance, contract, or agreement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.116. SURPLUS PROPERTY. Subject to the terms of a resolution or deed of trust authorizing or securing bonds issued by the district, the district may sell, lease, rent, trade, or otherwise dispose of property the board considers not needed for district purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.117. EMINENT DOMAIN. (a) To carry out a power conferred by this chapter, the district may exercise the power of eminent domain to acquire the fee simple title to land or any other interest in land and other property and easements, including water rights, land, or any interest in land needed for water fields, water wells, or reservoir and dam and flood easements above the probable high water line around any reservoirs inside or outside the district.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The board shall determine the amount and the type of the interest in land, other property, and easements to be acquired.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.118. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of the relocating, raising, lowering, rerouting, or change in grade or alteration of construction required under Subsection (b) to provide a comparable replacement without enhancing the facility, after deducting the net salvage value derived from the old facility.

(b) If the district's exercise of eminent domain, police power, or of another power conferred by this chapter requires relocating, raising, lowering, rerouting, or changing the grade of, or altering
the construction of any railroad, electric transmission, telegraph, or telephone line, conduit, pole, property or facility, or pipeline, the action shall be accomplished at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.119. RIGHTS-OF-WAY; EASEMENTS. The district has necessary or useful rights-of-way and easements along, over, under, and across all public, state, municipal, and county roads, highways, and places for any of its purposes. The district shall restore a facility used by the district to its previous condition as nearly as possible at the sole expense of the district as defined by Section 6902.118(a).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 6902.151. TAX COLLECTION. The district shall contract with Crane County to collect property taxes for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.152. ADVISORY DUTIES OF CRANE COUNTY AUDITOR. The Crane County auditor shall serve as an advisor to the district, without remuneration, for the preparation of the district's budget and the imposition of the district's property taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.153. DISTRICT MONEY. The district may acquire, hold, use, and dispose of its money from any source.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06,
Sec. 6902.154. DEPOSITORY. (a) The board may select and shall designate one or more banks inside or outside the district to serve as the depository for the district's money.

(b) The district's money shall be deposited in the depository designated by the board, except that:

(1) bond proceeds and money pledged to pay bonds, to the extent provided in a resolution or trust indenture authorizing or securing district bonds, may be deposited with another bank or trustee named in the bond resolution or trust indenture; and

(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

(c) To the extent that money in a depository bank or trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.155. INVESTMENT OF DISTRICT MONEY. The board may invest district money as determined by the board or in the manner provided by a resolution or trust indenture authorizing or securing district bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.156. DISTRICT FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The district is not required to pay a tax or assessment on its facilities or any part of its facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6902.201. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds to carry out any power provided by this chapter. The bonds must be authorized by a board resolution.

(b) The bonds may be payable from and secured by revenue or property taxes, or both revenue and property taxes, of the district, in the manner and under the terms of the resolution authorizing the issuance of the bonds.

(c) The district may issue bonds, provide for and secure the payment of the bonds, and provide for the rights of the bondholders, in the manner and to the extent permitted by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.202. FORM OF BONDS. (a) A district bond must be:
(1) issued in the district’s name;
(2) signed by the president or vice president;
(3) attested by the secretary; and
(4) bear the district seal.

(b) The district seal may be impressed or printed on the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.203. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.204. ELECTION FOR BONDS PAYABLE FROM PROPERTY TAXES. (a) The district may not issue bonds, except refunding bonds, payable wholly or partly from property taxes unless the issuance of the bonds is authorized by a majority of the district voters at an election.

(b) The district may issue bonds not payable wholly or partly from property taxes without an election.

(c) A bond election may be called by the board on a motion of
A resolution calling a bond election must state:
(1) the time and each place for holding the election;
(2) the purpose for which the bonds are to be issued;
(3) the amount of the bonds;
(4) the form of the ballot; and
(5) other matters considered necessary or advisable by the board.

The board shall give notice of the election by publishing a substantial copy of the resolution calling the election in a newspaper with general circulation in the district once a week for two consecutive weeks, with the first publication to be not later than the 14th day before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.205. BONDS SECURED BY REVENUE; ADDITIONAL BONDS. (a) Bonds issued under this subchapter may be secured by a pledge of all or part of the district's revenue, or by all or part of the revenue of one or more district contracts or other revenue or income specified by board resolution or a trust indenture securing the bonds. The pledge may reserve the right, under conditions specified by the pledge, to issue additional bonds that will be on a parity with or subordinate to the bonds being issued.

(b) The district may issue bonds secured by both property taxes and revenue of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.206. BONDS PAYABLE FROM PROPERTY TAXES. (a) If bonds are issued payable wholly or partly from property taxes, the board must impose a tax on the taxable property in the district in an amount sufficient to pay the principal of and interest on the bonds.

(b) The district may adopt the rate of a tax imposed under Subsection (a) after giving consideration to the money received from the pledged revenue that may be available for payment of principal and interest, to the extent and in the manner permitted by the
resolution authorizing the issuance of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.207. ADDITIONAL SECURITY. (a) Bonds not payable wholly from ad valorem taxes may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on physical property of the district, franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee power to:

(1) sell the property for the payment of the debt;
(2) operate the property; and
(3) take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust lien, if one is given:

(1) is the absolute owner of property, facilities, and rights purchased; and
(2) is entitled to maintain and operate the property and facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.208. TRUST INDENTURE. (a) A bond issued under this subchapter, including a refunding bond, that is not payable wholly from property taxes may be additionally secured by a trust indenture. The trustee may be a bank with trust powers located inside or outside the state.

(b) A trust indenture, regardless of the existence of the deed of trust or mortgage lien on the property, may:

(1) provide for the security of the bonds and the preservation of the trust estate in the manner prescribed by the board;
(2) provide for amendment or modification of the trust indenture;
(3) provide for the issuance of bonds to replace lost or mutilated bonds;
(4) condition the right to spend district money or sell
district property on the approval of a licensed engineer selected as provided by this chapter; and

(5) provide for the investment of district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.209. CHARGES FOR DISTRICT SERVICES. (a) If bonds payable wholly from revenue are issued, the board shall set the rates of compensation for water sold and services provided by the district. The rates must be sufficient to:

(1) pay the expense of operating and maintaining district facilities;

(2) pay the principal of and interest on the bonds when due; and

(3) maintain the reserve fund and other funds as provided in the resolution authorizing the bonds.

(b) If bonds payable partly from revenue are issued, the board shall set the rate of compensation for water sold and any other services provided by the district. The rate must be sufficient to ensure compliance with the resolution authorizing the bonds or the trust indenture securing the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.210. USE OF BOND PROCEEDS. (a) The district may set aside and use an amount of proceeds from the sale of bonds issued under this subchapter for:

(1) the payment of interest expected to accrue during construction not to exceed three years;

(2) a reserve interest and sinking fund; and

(3) other funds provided by the resolution authorizing the bonds or in the trust indenture.

(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purpose of the district, including any expense of issuing and selling the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06,
Sec. 6902.211. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of principal of or interest on bonds issued under this subchapter that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the district.

(b) The receiver may collect and receive all district income, except taxes, employ and discharge district agents and employees, take charge of money on hand, except money received from taxes, unless commingled, and manage the proprietary affairs of the district without the consent of the board.

(c) The receiver may be authorized to sell or contract for the sale of water or renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.212. LIMITATION ON RIGHTS OF HOLDERS. The resolution authorizing the bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.213. BONDS EXEMPT FROM TAXATION. A bond issued under this chapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6902.214. EXCLUSION OF TERRITORY AFTER ISSUANCE OF BONDS. Territory may not be excluded from the district after the issuance of bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER F. REFUNDING BONDS

Sec. 6902.251. AUTHORITY TO ISSUE REFUNDING BONDS; APPLICABILITY OF LAW RELATING TO OTHER BONDS. (a) The district may issue refunding bonds to refund outstanding bonds issued under this chapter and interest on those bonds.

(b) The provisions of this chapter relating to the issuance by the district of other bonds, their security, their approval by the attorney general, and the remedies of the bondholders apply to refunding bonds.

(c) An election is not required for refunding bonds.

(d) The district may also issue refunding bonds under any other applicable law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.252. TERMS OF ISSUANCE OF REFUNDING BONDS. Refunding bonds may:

(1) be issued to refund bonds of more than one series;

(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or

(3) be secured by a pledge of other or additional revenue or mortgage liens.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6902.253. REGISTRATION OF REFUNDING BONDS BY COMPTROLLER. (a) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(b) Instead of issuing bonds to be registered on the surrender
and cancellation of the bonds to be refunded, the district, in the
resolution authorizing the issuance of the refunding bonds, may
provide for the sale of the refunding bonds and the deposit of the
proceeds, together with other money that may be available, in a bank
at which the bonds to be refunded are payable. In that case, the
refunding bonds may be issued in an amount sufficient to pay the
principal of and interest and any required redemption premium on the
bonds to be refunded to any redemption date or to their maturity
date, and the comptroller shall register the refunding bonds without
the surrender and cancellation of the bonds to be refunded.

(c) The provisions described by Subsection (b) constitute the
making of firm banking arrangements for the discharge and final
payment or redemption of the bonds to be refunded or to be paid or
redeemed.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06,
eff. April 1, 2009.

Sec. 6902.254. ESCROW AGREEMENT. (a) The district may enter
into an escrow or similar agreement with any place of payment, paying
agent, or trustee with respect to the safekeeping, investment,
administration, and disposition of a deposit made under Section
6902.253(b).

(b) A deposit under Section 6902.253(b) may be invested only in
direct obligations of the United States, including obligations the
principal of and interest on which are unconditionally guaranteed by
the United States, that mature and bear interest payable at the times
and in amounts sufficient to provide for the scheduled payment or
redemption of the bonds to be refunded. The obligations may be in
book-entry form.

(c) The district must enter into an agreement under Subsection
(a) if a bond to be refunded is scheduled to be paid or redeemed on a
date later than the next scheduled interest payment date.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06,
eff. April 1, 2009.
Sec. 6903.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Commissioners court" means the Commissioners Court of Eastland County.

(3) "Director" means a member of the board.

(4) "District" means the Eastland County Water Supply District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land in the district will benefit from the improvement to be acquired and constructed by the district.

(b) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district, in carrying out the purposes of this chapter, will be performing an essential public function under the Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT TERRITORY

Sec. 6903.051. DISTRICT TERRITORY. The district is composed of the territory in the city of Ranger on May 26, 1949, and the territory in the city of Eastland that was added to the district before June 8, 1953. The district's territory may have been modified under:

(1) this subchapter or its predecessor statute, Section 5, Chapter 465, Acts of the 51st Legislature, Regular Session, 1949;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.052. AUTHORITY TO ANNEX TERRITORY. Territory, whether contiguous to the district or not, and inside or outside Eastland County, may be annexed to the district in the manner provided by this subchapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.053. PETITION FOR ANNEXATION; BOARD FINDINGS AND RESOLUTION. (a) The board may annex territory under this subchapter if a petition requesting annexation is signed by 50 registered voters of the territory to be annexed who own taxable property in that territory, or a majority of the registered voters of that territory who own taxable property in that territory, and is filed with the board. The petition must describe the territory to be annexed by metes and bounds, or otherwise, except that if the territory is the same as that contained in a municipality, the petition is sufficient if it states that the territory to be annexed is the territory contained in the municipality.

(b) If the board determines that the petition complies with Subsection (a), that the annexation would be in the interest of the district, and that the district will be able to supply water to the territory, the board shall adopt a resolution:
   (1) stating the conditions, if any, under which the territory may be annexed to the district; and
   (2) requesting the commissioners court to annex the territory to the district.

(c) A certified copy of the resolution and petition shall be filed with the commissioners court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6903.054. COMMISSIONERS COURT RESOLUTION; HEARING. The commissioners court shall:

(1) adopt a resolution declaring its intention to call an election in the territory to submit the proposition of whether the territory is to be annexed to the district; and

(2) set a time and place to hold a commissioners court hearing on the question of whether the territory to be annexed will benefit from the improvements, works, and facilities then owned or operated or contemplated to be owned or operated by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.055. ANNEXATION HEARING. (a) At least 10 days before the date of the annexation hearing, notice of the adoption of the resolution stating the time and place of the hearing and addressed to the citizens and owners of property in the territory to be annexed shall be published one time in a newspaper designated by the commissioners court. The notice must describe the territory in the same manner in which Section 6903.053(a) requires the petition to describe the territory.

(b) If a newspaper is not published in the territory to be annexed, the notice shall be posted in three public places in the territory.

(c) Any interested person may appear at the hearing and offer evidence for or against the annexation.

(d) The hearing may proceed in the order and under the rules prescribed by the commissioners court and may be recessed from time to time.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.056. COMMISSIONERS COURT FINDINGS AND RESOLUTION; ELECTION. If, at the conclusion of the annexation hearing, the commissioners court finds that all land in the territory to be annexed will benefit from the present or contemplated improvements, works, or facilities of the district, the court shall adopt a resolution that:
(1) calls an election in the territory to be annexed; and
(2) states the date of the election and the place or places of holding the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.057. NOTICE OF ANNEXATION ELECTION. In addition to complying with Section 4.004, Election Code, notice of the annexation election must:

(1) state the conditions under which the territory may be annexed; or
(2) refer to the resolution of the board for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.058. ELECTION RESULTS. (a) The commissioners court shall issue an order declaring the results of the annexation election.

(b) If the order shows that a majority of the votes cast are in favor of annexation, the commissioners court shall annex the proposed territory to the district. The annexation is incontestable except within the time for contesting elections under the general election law.

(c) A certified copy of the order shall be recorded in the deed records of the county in which the territory is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.059. ASSUMPTION OF DEBT; TAXES. (a) In calling the election on the proposition for annexation of territory, the commissioners court may include, as a part of the same proposition, a proposition for:

(1) the territory to assume its part of the tax-supported bonds of the district then outstanding and those bonds previously voted but not yet sold; and
(2) an ad valorem tax to be imposed on taxable property in the territory along with the tax in the rest of the district for the payment of the bonds.

(b) After territory is annexed to the district, the board may hold an election in the district as enlarged to determine whether the district as enlarged shall assume any tax-supported bonds then outstanding and those previously voted but not yet sold and impose an ad valorem tax on all taxable property in the district as enlarged to pay the bonds, unless the proposition is submitted as provided by Subsection (a) and becomes binding on the territory annexed.

(c) An election held under Subsection (b) shall be held in the same manner as an election under this chapter for the issuance of bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.060. RESTRICTION ON ANNEXATION OF RAILROAD RIGHT-OF-WAY. (a) A railroad right-of-way may not be annexed to the district unless the right-of-way is contained in the limits of a municipality annexed at the same time or previously annexed to the district.

(b) A railroad right-of-way that is not in the defined limits of a municipality will not benefit from improvements, works, and facilities the district is authorized to construct.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

**SUBCHAPTER C. BOARD OF DIRECTORS**

Sec. 6903.101. COMPOSITION OF BOARD; TERMS. (a) The board consists of eight directors.

(b) Voters of the city of Ranger who reside in the district elect four directors. Voters of the city of Eastland who reside in the district elect four directors.

(c) Directors serve staggered terms, with the terms of two directors elected from each city expiring at the same time.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6903.102. QUALIFICATIONS FOR OFFICE. (a) A director must reside in the municipality from which elected and own taxable property in the district.

(b) A member of a municipality's governing body or an employee of a municipality may not be a director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.103. LOCATION AND NOTICE FOR DIRECTORS ELECTION; RESULTS. (a) For a regular directors election, there shall be at least one voting place in each municipality in the district.

(b) Notice of a directors election shall be published in a newspaper published in each municipality in the district one time not later than the 10th day before the date of the election.

(c) The board shall adopt a resolution declaring the election results.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.104. BALLOT PROCEDURE FOR CANDIDATES. (a) A person who wants to have the person's name printed on the ballot as a candidate for director must present a petition requesting that action.

(b) The petition must be:

(1) signed by at least 50 residents of the district who are registered to vote at the election; and

(2) presented to the board's secretary not later than the 16th day before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.105. APPOINTMENT OF SECRETARY AND TREASURER. The board shall appoint a secretary and a treasurer, who are not required
to be directors. The board may combine the offices of secretary and treasurer.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.106. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.107. DIRECTOR'S AND TREASURER'S BOND. (a) Each director shall give bond in the amount of $5,000 conditioned on the faithful performance of the director's duties.

(b) The treasurer shall give bond in the amount required by the board. The treasurer's bond shall be conditioned on the treasurer's faithful accounting for all money that comes into the treasurer's custody as treasurer of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.108. COMPENSATION. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director:

1. shall receive a fee of $5 for attending each board meeting; and
2. is also entitled to receive $5 for each day devoted to the business of the district if the service is expressly approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER D. GENERAL POWERS AND DUTIES

Sec. 6903.151. CONSTRUCTION OF DAM. (a) The district may
impound storm and flood waters and the unappropriated flow waters at one or more places and in an amount approved by the Texas Commission on Environmental Quality by constructing one or more dams inside or outside the district. In exercising its powers under this subsection, the district shall comply with Subchapters A-D, Chapter 11, and Subchapter B, Chapter 12, Water Code.

(b) A dam or other works for the impounding of water from a river under this section may not be constructed until the plans for the dam or other works are approved by the Texas Commission on Environmental Quality.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.152. UNDERGROUND SOURCES OF WATER. The district may develop or otherwise acquire underground sources of water.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.153. CONSTRUCTION OR ACQUISITION OF PROPERTY. The district may construct or otherwise acquire all works, plants, and other facilities necessary or useful for the purpose of processing water impounded, developed, or otherwise acquired and transporting it to municipalities and others for municipal, domestic, and industrial purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.154. WATER APPROPRIATION PERMITS. The district may acquire water appropriation permits directly from the Texas Commission on Environmental Quality or from owners of permits.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6903.155. PURCHASE OF WATER. The district may purchase water or a water supply from any person, including a public agency.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.156. SURPLUS PROPERTY. The district may sell any property that, in the opinion of the board, will not be needed for the conduct of the affairs or business of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.157. EMINENT DOMAIN. (a) To carry out a power provided by this chapter, the district may exercise the power of eminent domain to acquire land and easements inside or outside the district, including land above the probable high water line around the reservoirs.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The board shall determine the amount and the type of interest in land and easements to be acquired under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.158. PARKS AND RECREATION FACILITIES. (a) The district may establish or otherwise provide for public parks and recreation facilities and may acquire land adjacent to any of its reservoirs for those purposes.

(b) The district may not use money received from taxation or from bonds payable wholly or partly from taxation for a purpose described by Subsection (a).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6903.159. CONSTRUCTION CONTRACTS. (a) This section applies only to a construction contract or a contract for the purchase of material, equipment, or supplies requiring an expenditure of more than $25,000.

(b) The district shall award a contract to the lowest and best bidder after publishing notice to bidders once a week for two weeks in a newspaper published in the district that is designated by the board.

(c) The notice is sufficient if it states:
   (1) the time and place for opening the bids;
   (2) the general nature of the work to be done or the material, equipment, or supplies to be purchased; and
   (3) the place where and the terms on which copies of the plans and specifications may be obtained.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.160. CONTRACTS TO SUPPLY WATER. (a) The district may contract with municipalities and others to supply water to those entities.

(b) The district may contract with a municipality for the rental or leasing of or for the operation of the water production, water supply, and water supply facilities of the municipality on the consideration agreed to by the district and the municipality.

(c) The contract may be on terms and for the time agreed to by the parties.

(d) The contract may provide that it will continue in effect until bonds specified in it and refunding bonds issued in lieu of the bonds are paid.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.161. CONTRACTS FOR TOLL BRIDGES OR FERRY SERVICE. (a) The board may contract with a responsible person for:
   (1) the construction and operation of a toll bridge over the district's water; or
   (2) ferry service on or over the district's water.
The period of a contract under Subsection (a) may not exceed:

- 20 years under Subsection (a)(1); or
- 10 years under Subsection (a)(2).

The contract under Subsection (a) may:

- set reasonable compensation to be charged for service by the facility;
- require from the contracting person an adequate bond payable to the district in an amount and conditioned as the board considers to be required; and
- provide for forfeiture of the particular franchise if the license holder fails to render adequate public service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

**SUBCHAPTER E. REGULATORY POWERS**

**Sec. 6903.201. ADOPTION OF RULES.** The board may adopt reasonable rules to:

- secure, maintain, and preserve the sanitary condition of water in and water that flows into any reservoir owned by the district;
- prevent waste of or the unauthorized use of water; and
- regulate residence, hunting, fishing, boating, camping, and any other recreational or business privilege along or around any district reservoir and the stream leading into the reservoir, and its tributaries, or any body of land, or easement owned or controlled by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

**Sec. 6903.202. ENFORCEMENT OF RULES; PENALTY.** (a) The district by rule may prescribe reasonable penalties for the violation of a district rule.

(b) A penalty may consist of:

- a fine not to exceed $200;
- confinement in jail for a term not to exceed 30 days; or
(3) both the fine and confinement.

c) A penalty adopted under this section is in addition to any other penalty provided by Texas law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.203. NOTICE OF RULE PROVIDING PENALTY. (a) If the district adopts a rule that provides a penalty, the district must publish a substantive statement of the rule and the penalty once a week for two consecutive weeks in Eastland County.

(b) The statement must be as condensed as possible so that the act prohibited by the rule can be easily understood.

(c) The statement may include notice of any number of rules.

(d) The notice must state that:

(1) a person who violates the rule is subject to a penalty; and

(2) the rule is on file in the principal office of the district, where it may be read by any interested person.

(e) A rule takes effect five days after the date of the second publication of the statement under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.204. JUDICIAL NOTICE OF RULES. A court shall take judicial notice of a rule adopted under this subchapter and published as required by Section 6903.203, and the court shall consider the rule to be similar in nature to a penal ordinance of a municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.205. ENFORCEMENT BY PEACE OFFICERS. (a) A peace officer employed by the district or a county peace officer may make an arrest when necessary to prevent or abate the commission of an offense:

(1) in violation of a district rule or a law of this state
that occurs or threatens to occur on any land, water, or easement owned or controlled by the district; or

(2) involving damage to any property owned or controlled by the district.

(b) A peace officer described by Subsection (a) may make an arrest under Subsection (a)(2) at any location.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

**SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS**

Sec. 6903.251. DEPOSITORY. (a) Except as provided by Subsection (i), the board shall designate one or more banks in the district to serve as depository for the district's money.

(b) District money shall be deposited with a designated depository bank or banks, except that:

(1) money pledged to pay bonds may be deposited with the trustee bank named in the trust agreement; and

(2) money shall be remitted to the bank of payment for the payment of principal of and interest on bonds.

(c) To the extent that money in a depository bank or a trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) The board shall prescribe the terms of service for depositories.

(e) Before designating a depository bank, the board shall issue a notice that:

(1) states the time and place at which the board will meet to designate a depository bank or banks; and

(2) invites the banks in the district to submit an application to be designated as a depository.

(f) The notice must be published one time in a newspaper published in the district and specified by the board.

(g) At the time stated in the notice, the board shall:

(1) consider the application and the management and condition of each bank that applies; and

(2) designate as a depository the bank or banks that:

(A) offer the most favorable terms for handling the
money; and

(B) the board finds have proper management and are in condition to handle the money.

(h) Membership on the board of an officer or director of a bank does not disqualify the bank from being designated as a depository.

(i) If the board does not receive any applications before the time stated in the notice, or if the board rejects all applications, the board shall designate one or more banks located inside or outside the district on terms that the board finds advantageous to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.252. TAX ASSESSOR AND COLLECTOR. The board shall appoint a tax assessor and collector.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.253. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION. The district is not required to pay a tax or assessment on a project or any part of a project.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

**SUBCHAPTER G. BONDS**

Sec. 6903.301. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds to:

(1) provide a source of water supply for municipalities and other users for municipal, domestic, and industrial purposes; or (2) carry out any other power conferred by this chapter.

(b) The bonds must be authorized by a board resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6903.302. FORM OF BONDS. District bonds must be:
(1) issued in the district's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.303. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.304. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a district election at which a majority of the votes cast in each municipality in the district favor the bond issuance.

(b) The board may order an election under this section without a petition. The order must specify:
(1) the time and places at which the election will be held;
(2) the purpose for which the bonds will be issued;
(3) the maximum amount of the bonds;
(4) the maximum maturity of the bonds;
(5) the form of the ballot; and
(6) the presiding judge for each voting place.

(c) Notice of the election must be given by publishing a substantial copy of the order calling the election in a newspaper published in the district for two consecutive weeks. The first publication must be not later than the 21st day before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.305. BONDS PAYABLE FROM REVENUE. (a) In this section, "net revenue" means the gross revenue of the district less
the amount necessary to pay the cost of maintaining and operating the
district and its property.

(b) Bonds issued under this subchapter may be secured under
board resolution by a pledge of:

(1) all or part of the district's net revenue;
(2) the net revenue of one or more contracts made before or
after the issuance of the bonds; or
(3) other revenue specified by board resolution.

(c) The pledge may reserve the right to issue additional bonds
on a parity with or subordinate to the bonds being issued, subject to
conditions specified by the pledge.

(d) Bonds not payable wholly or partly from ad valorem taxes
may be issued without an election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06,
eff. April 1, 2009.

Sec. 6903.306. BONDS PAYABLE FROM AD VALOREM TAXES. The
district may issue bonds payable from:

(1) ad valorem taxes imposed on taxable property in the
district; or
(2) ad valorem taxes and revenue of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06,
eff. April 1, 2009.

Sec. 6903.307. TAX AND RATE REQUIREMENTS. (a) If the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall impose a tax sufficient to pay the bonds and the interest
on the bonds as the bonds and interest become due. The board may
adopt the rate of the tax after considering the money received from
the pledged revenue available for payment of principal and interest
to the extent and in the manner permitted by the resolution
authorizing the issuance of the bonds.

(b) If the district issues bonds payable wholly or partly from
revenue, the board shall set and revise the rates of compensation for
water sold and services rendered by the district.

(c) For bonds payable wholly from revenue, the rates of
compensation must be sufficient to:
(1) pay the expense of operating and maintaining the facilities of the district;
(2) pay the bonds as they mature and the interest as it accrues; and
(3) maintain the reserve and other funds as provided by the resolution authorizing the issuance of the bonds.
(d) For bonds payable partly from revenue, the rates of compensation must be sufficient to assure compliance with the resolution authorizing the issuance of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.308. ADDITIONAL SECURITY. (a) Bonds, including refunding bonds, authorized by this subchapter that are not payable wholly from ad valorem taxes may be additionally secured by a deed of trust lien on physical property of the district and all franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee power to:

(1) sell the property for payment of the debt;
(2) operate the property; and
(3) take other action to further secure the bonds.

(b) The deed of trust may:
(1) contain any provision the board prescribes to secure the bonds and preserve the trust estate;
(2) provide for amendment or modification of the deed of trust; and
(3) provide for the issuance of bonds to replace lost or mutilated bonds.

(c) A purchaser under a sale under the deed of trust:
(1) is the owner of the dam or dams and the other property, including facilities, purchased; and
(2) is entitled to maintain and operate the property, including facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6903.309. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of bonds issued under this subchapter for the payment of interest expected to accrue during construction and a reserve interest and sinking fund. The resolution authorizing the bonds may provide for setting aside and using the proceeds.

(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purposes of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.310. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of principal of or interest on bonds issued under this subchapter that are payable wholly or partly from revenue, a court may, on petition of the holders of 25 percent of the outstanding bonds of the issue in default or threatened with default, appoint a receiver for the district.

(b) The receiver may collect and receive all district income except taxes, employ and discharge district agents and employees, take charge of money on hand, except money received from taxes, unless commingled, and manage the district's proprietary affairs without consent or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or to renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6903.311. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding bonds issued under this subchapter and interest on those bonds.

(b) Refunding bonds may:
(1) be issued to refund bonds of more than one series;
(2) combine the pledges for the outstanding bonds for the
security of the refunding bonds; or
   (3) be secured by a pledge of other or additional revenue.
   (c) The provisions of this subchapter regarding the issuance of
other bonds and the remedies of the holders apply to refunding bonds.
   (d) The comptroller shall register the refunding bonds on
surrender and cancellation of the bonds to be refunded.
   (e) Instead of issuing bonds to be registered on the surrender
and cancellation of the bonds to be refunded, the district, in the
resolution authorizing the issuance of the refunding bonds, may
provide for the sale of the refunding bonds and the deposit of the
proceeds in a bank at which the bonds to be refunded are payable. In
that case, the refunding bonds may be issued in an amount sufficient
to pay the interest on the bonds to be refunded to their option date
or maturity date, and the comptroller shall register the refunding
bonds without the surrender and cancellation of the bonds to be
refunded.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06,
eff. April 1, 2009.

Sec. 6903.312. BONDS EXEMPT FROM TAXATION. A bond issued under
this subchapter, the transfer of the bond, and income from the bond,
including profits made on the sale of the bond, are exempt from
taxation in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06,
eff. April 1, 2009.

CHAPTER 6904. AQUILLA WATER SUPPLY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6904.001. DEFINITIONS. In this chapter:
   (1) "Board" means the board of directors of the district.
   (2) "Director" means a member of the board.
   (3) "District" means the Aquilla Water Supply District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06,
eff. April 1, 2009.
Sec. 6904.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and taxable property in the city of Hillsboro will benefit from the works and improvements of the district.

(b) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state for the improvement of their property and industries. The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT TERRITORY

Sec. 6904.051. DISTRICT TERRITORY. (a) The boundaries of the district are coextensive with the boundaries of the city of Hillsboro as those boundaries existed on January 1, 1977, and as the district territory may have been modified under:

(1) Sections 6904.052 and 6904.053 or their predecessor statute, Section 6, Chapter 713, Acts of the 65th Legislature, Regular Session, 1977;

(2) Subchapter J, Chapter 49, Water Code;

(3) Subchapter O, Chapter 51, Water Code, before September 1, 1995; or

(4) other law.

(b) An invalidity in the fixing of the boundaries of the city of Hillsboro as they existed on January 1, 1977, does not affect the boundaries of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6904.052. ANNEXATION OF TERRITORY. (a) Territory may be annexed to the district as provided by this section or by Section 6904.053.

(b) The board may annex territory or a municipality under this section only if a petition requesting annexation is signed by 50 voters of the territory or municipality to be annexed, or a majority of the registered voters of that territory or municipality, whichever is fewer, and is filed with the board. The petition must describe the territory to be annexed by metes and bounds, or otherwise, except that if the territory is the same as that contained in the boundaries of a municipality, the petition is sufficient if it states that the territory to be annexed is the territory contained in the municipal boundaries.

(c) If the board determines that the petition complies with Subsection (b), that the annexation would be in the best interest of the territory or municipality and the district, and that the district will be able to supply water or other services to the territory or municipality, the board shall:

(1) adopt a resolution stating the conditions, if any, under which the territory or municipality may be annexed to the district; and

(2) set a time and place to hold a hearing on the question of whether the territory or municipality to be annexed will benefit from:

(A) the improvements, works, or facilities owned or operated or contemplated to be owned or operated by the district; or

(B) the other functions of the district.

(d) At least 10 days before the date of the hearing, notice of the adoption of the resolution stating the time and place of the hearing shall be published one time in a newspaper of general circulation in the territory or municipality to be annexed. The notice must describe the territory in the same manner in which Subsection (b) requires the petition to describe the territory.

(e) Any interested person may appear at the hearing and offer evidence for or against the annexation.

(f) The hearing may proceed in the order and under the rules prescribed by the board and may be recessed from time to time.

(g) If, at the conclusion of the hearing, the board finds that the property in the territory or municipality will benefit from the present or contemplated improvements, works, or facilities of the
district, the board shall adopt a resolution making a finding of the benefit and calling an election in the territory or municipality to be annexed.

(h) In calling an election on the proposition for annexation of the territory or municipality, the board may include, as part of the same proposition or as a separate proposition, a proposition for:

(1) the territory to assume its part of the tax-supported bonds of the district then outstanding and those bonds previously voted but not yet sold; and

(2) an ad valorem tax to be imposed on taxable property on the territory along with the tax in the rest of the district for the payment of the bonds.

(i) If a majority of the votes cast at the election are in favor of annexation, the board by resolution shall annex the territory to the district.

(j) An annexation under this section is incontestable except in the manner and within the time for contesting elections under the Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.053. ANNEXATION OF TERRITORY ANNEXED TO MUNICIPALITY IN DISTRICT. (a) At any time after final passage of an ordinance or resolution annexing territory to a municipality in the district, the board may give notice of a hearing on the question of annexing that territory to the district. The notice is sufficient if it:

(1) states the date and place of the hearing; and

(2) describes the area proposed to be annexed or refers to the annexation ordinance or resolution of the municipality.

(b) The notice must be published one time in a newspaper of general circulation in the municipality not later than the 10th day before the date set for the hearing.

(c) If, as a result of the hearing, the board finds that the territory will benefit from the present or contemplated improvements, works, or facilities of the district, the board shall adopt a resolution annexing the territory to the district.

(d) After the territory is annexed to the district, the board may call an election in the entire district to determine whether:
(1) the entire district will assume any tax-supported bonds then outstanding and those bonds previously voted but not yet sold; and

(2) an ad valorem tax for the payment of the bonds will be imposed on all taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 6904.101. COMPOSITION OF BOARD. (a) The district is governed by a board of at least five directors. The directors occupy numbered places on the board.

(b) For each municipality annexed to the district under Section 6904.052, two places are added to the board, except that the number of directors may not exceed 11.

(c) Not more than five directors may reside in the corporate limits of the city of Hillsboro.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.102. QUALIFICATIONS FOR OFFICE. (a) To be eligible to serve as a director, a person must be:

(1) a qualified district voter; and

(2) a district resident.

(b) A director is eligible for reelection.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.103. DIRECTORS' ELECTION. Directors shall be elected at an election called for that purpose by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6904.104. REMOVAL FROM OFFICE. After reasonable notice and a public hearing, the board may remove a director from office for misfeasance, malfeasance, or wilful neglect of duty. Reasonable notice and a public hearing are not required if the director to be removed expressly waives the notice and hearing in writing.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.105. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a) The district shall act through resolutions adopted by the board.

(b) All directors are entitled to vote.

(c) The affirmative vote of a majority of the quorum present is necessary to adopt a resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.106. OFFICERS AND ASSISTANTS. (a) The board shall elect a president, vice president, secretary, and treasurer at the first meeting of the newly constituted board after each directors' election or at any time necessary to fill a vacancy.

(b) The board shall elect the president and vice president from among the directors.

(c) The offices of secretary and treasurer:
(1) may be held by one person; and
(2) are not required to be held by a director.

(d) The board may appoint as assistant board secretary one or more persons who are not directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.107. OFFICER DUTIES. (a) The board president shall preside at board meetings and perform other duties prescribed by the board.

(b) The board secretary is the official custodian of the minutes, books, records, and seal of the board and shall perform
other duties and functions prescribed by the board. An assistant board secretary may perform any duty or function of the board secretary.

(c) The board treasurer shall perform duties and functions prescribed by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.108. MEETINGS. The board shall have regular meetings at times specified by board resolution and shall have special meetings when called by the board president or by any two directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.109. PERSONAL LIABILITY OF DIRECTORS. A director is not personally liable for any bond issued or contract executed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 6904.151. DISTRICT POWERS. The district may exercise any power necessary or appropriate to achieve the purposes of this chapter, including the power to:

(1) sue and be sued, and plead and be impleaded, in its own name;

(2) adopt an official seal;

(3) adopt and enforce bylaws and rules for the conduct of its affairs;

(4) acquire, hold, use, and dispose of its receipts and money from any source;

(5) acquire, own, rent, lease, accept, hold, or dispose of property, or an interest in property, including a right or easement, by purchase, exchange, gift, assignment, condemnation, sale, lease, or otherwise, in performing district duties or exercising district
powers under this chapter;
(6) hold, manage, operate, or improve property;
(7) lease or rent any land, building, structure, or facility from or to any person;
(8) sell, assign, lease, encumber, mortgage, or otherwise dispose of property, or an interest in property, and release or relinquish a right, title, claim, lien, interest, easement, or demand, regardless of the manner in which acquired, and conduct a transaction authorized by this subdivision by public or private sale, with or without public bidding, notwithstanding any other law;
(9) issue bonds, provide for and secure the payment of the bonds, and provide for the rights of the holders of the bonds in the manner and to the extent authorized by this chapter;
(10) request and accept an appropriation, grant, allocation, subsidy, guarantee, aid, service, material, or gift from any source, including the federal government, the state, a public agency, or a political subdivision;
(11) operate and maintain an office;
(12) appoint and determine the duties, tenure, qualifications, and compensation of district officers and employees, as well as any agent, professional advisor, or counselor, including any financial consultant, accountant, attorney, architect, engineer, appraiser, or financing expert, considered necessary or advisable by the board; and
(13) exercise any power granted by Chapter 30, Water Code, to water districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.152. PERMITS. (a) The district may obtain through appropriate proceedings permits from the Texas Commission on Environmental Quality.
(b) The district may acquire water appropriation permits from owners of permits by contract or otherwise.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6904.153. GENERAL AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A public agency or political subdivision of this state may enter into a contract or agreement with the district, on terms agreed to by the parties, for any purpose relating to the district's powers or functions. Approval, notice, consent, or an election is not required in connection with a contract or agreement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.154. CONTRACTS TO SUPPLY WATER. (a) The district may contract with public agencies, political subdivisions, and others to supply water. The district may sell water inside and outside the boundaries of the district.

(b) The district may contract with a public agency or political subdivision for the rental or leasing of or for the operation of the water production, water supply, water filtration or purification, and water supply facilities of the entity on the consideration agreed to by the district and the entity.

(c) A contract may be on terms and for the time agreed to by the parties.

(d) A contract may provide that it will continue in effect until bonds specified in it and refunding bonds issued in lieu of the bonds are paid.

(e) The district may contract with the City of Hillsboro for the operation of the district's water facilities by the city. An election is not required in connection with this contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.155. SOURCES FOR WATER; ACQUISITION OF LAND; STORAGE CAPACITY. (a) The district may acquire, construct, or develop inside or outside the district sources for water, including reservoirs or wells, and any work, plant, transmission line, or other facility necessary or useful to develop, divert, impound, store, drill for, pump, treat, or transport water, including underground water, to the City of Hillsboro and others for municipal, domestic,
industrial, mining, oil flooding, or any other useful purpose.

(b) The district may acquire land, or an interest in land, inside or outside the district for any work, plant, or other facility necessary or useful to divert, impound, store, drill for, pump, treat, or transport water for municipal, domestic, industrial, mining, oil flooding, or any other useful purpose.

(c) The district may lease, purchase, or otherwise acquire rights in and to storage and storage capacity in any reservoir constructed or to be constructed by any person or from the United States.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.156. CONSTRUCTION CONTRACTS. (a) The district may award a construction contract that requires an expenditure of more than $5,000 only after publication of notice to bidders once each week for two weeks in a newspaper of general circulation in the district.

(b) The notice is sufficient if it states:

(1) the time and place for opening the bids;
(2) the general nature of the work to be done;
(3) the material, equipment, or supplies to be purchased; and

(4) where the terms of bidding and copies of the plans and specifications may be obtained.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.157. CONVEYANCE OF LAND TO DISTRICT. A public agency or political subdivision of this state may lease, sell, or otherwise convey its land or an interest in its land to the district for any consideration that the parties agree is adequate. Approval, notice, consent, or an election is not required in connection with a conveyance, contract, or agreement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6904.158. DISPOSAL OF PROPERTY. Subject to the terms of a resolution or deed of trust authorizing or securing bonds issued by the district, the district may sell, lease, rent, trade, or otherwise dispose of property under terms considered by the board to be consistent with district purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.159. EMINENT DOMAIN. (a) To carry out a power provided by this chapter, the district may exercise the power of eminent domain to acquire the fee simple title to land, or any other interest in land, and other property and easements, inside or outside the district, including land or an interest in land needed for:

(1) a well; or
(2) a reservoir, dam, or flood easement above the probable high-water line around a reservoir.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The district is a municipal corporation for the purposes of Chapter 21, Property Code.

(d) The board shall determine the amount and the type of interest in land, other property, or easements to be acquired under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.160. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of the lowering, rerouting, or change in grade or alteration of construction required under Subsection (b) to provide a comparable replacement without enhancing the facility, after deducting the net salvage value derived from the old facility.

(b) If the district's exercise of its eminent domain, police, or other power requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad,
electric, transmission, telegraph, or telephone line, conduit, pole, property, facility, or pipeline, the action shall be accomplished at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.161. RIGHTS-OF-WAY; EASEMENTS. The district has all necessary or useful rights-of-way and easements along, over, under, and across all public, state, municipal, and county roads, highways, and places for any of its purposes. The district shall restore a facility used to its previous condition as nearly as possible at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.162. ELECTIONS. (a) The board shall call an election required to be held under this chapter by adopting a resolution stating:
(1) the date of the election;
(2) each place where the election will be held; and
(3) the proposition or propositions to be voted on.

(b) The board shall give notice of an election by publishing a substantial copy of the resolution calling the election one time not less than 10 days before the date set for the election in:
(1) a newspaper of general circulation in the district; and
(2) a newspaper of general circulation in the territory, if the election is on the question of annexation of territory.

(c) The board shall adopt a resolution declaring the results of the election.

(d) The board may combine one or more elections required to be held by this chapter, including a maintenance tax and bond election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
Sec. 6904.201. IMPOSITION OF TAX. (a) The district may impose a tax, not to exceed 25 cents on each $100 valuation of taxable property in the district, for:

(1) maintenance purposes, including money for planning, maintaining, repairing, and operating all necessary plants, works, facilities, improvements, appliances, and equipment of the district;
(2) paying costs of proper services, engineering, and legal fees; and
(3) organization and administrative expenses.

(b) The district may not impose a maintenance tax unless the tax is approved by a majority of the voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.202. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the district to serve as the depository for the district's money.

(b) District money shall be deposited in the depository designated by the board, except that:

(1) bond proceeds and money pledged to pay bonds, to the extent provided in a resolution or trust indenture authorizing or securing district bonds, may be deposited with another bank or trustee named in the bond resolution or trust indenture; and
(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

(c) To the extent that money in a depository bank or the trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of municipal money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.203. INVESTMENT OF DISTRICT MONEY. The board may invest district money in obligations and make time deposits of district money in a manner determined by the board or in the manner permitted or required in a resolution or trust indenture authorizing
or securing district bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.204. DISTRICT FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The district is not required to pay a tax or assessment on its facilities or any part of its facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

**SUBCHAPTER F. BONDS**

Sec. 6904.251. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds to carry out any power conferred by this chapter. The bonds must be authorized by a board resolution.

(b) The bonds may be payable from and secured by revenue or ad valorem taxes, or both revenue and ad valorem taxes, of the district, in the manner and under the terms of the resolution authorizing the issuance of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.252. FORM OF BONDS. District bonds must be:

(1) issued in the district's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.253. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6904.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a majority of the district voters voting at an election.

(b) The board may issue bonds not payable wholly or partly from ad valorem taxes without an election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.255. BONDS SECURED BY REVENUE; ADDITIONAL BONDS. (a) Bonds issued under this subchapter may be secured by a pledge of all or part of the district's revenue, or by all or part of the revenue of one or more contracts or other revenue or income specified by board resolution or a trust indenture securing the bonds. The pledge may reserve the right, under conditions specified by the pledge, to issue additional bonds that will be on a parity with or subordinate to the bonds then being issued.

(b) The district may issue bonds secured by both taxes and revenue of the district described by Subsection (a).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.256. BONDS PAYABLE FROM AD VALOREM TAXES. (a) If bonds are issued payable wholly or partly from ad valorem taxes, the board shall annually impose a tax on the taxable property in the district in an amount sufficient to pay the principal of and interest on the bonds when due.

(b) The district may adopt the rate of a tax imposed under Subsection (a) after giving consideration to the money received from the pledged revenue that may be available for payment of principal and interest, to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6904.257. ADDITIONAL SECURITY. (a) Bonds, including refunding bonds, authorized by this subchapter that are not payable wholly from ad valorem taxes may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on physical property of the district, franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee power to:

1. sell the property for the payment of the debt;
2. operate the property; and
3. take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust lien, if one is given:

1. is the absolute owner of property, facilities, and rights purchased; and
2. is entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.258. TRUST INDENTURE. (a) A bond issued under this subchapter, including a refunding bond, that is not payable wholly from ad valorem taxes may be additionally secured by a trust indenture. The trustee may be a bank with trust powers located inside or outside the state.

(b) A trust indenture, regardless of the existence of the deed of trust or mortgage lien on the property, may:

1. provide for the security of the bonds and the preservation of the trust estate in the manner prescribed by the board;
2. provide for amendment or modification of the trust indenture;
3. provide for the issuance of bonds to replace lost or mutilated bonds;
4. condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and
(5) provide for the investment of district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.259. CHARGES FOR DISTRICT SERVICES. (a) If district bonds payable wholly from revenue are issued, the board shall set and revise the rates of compensation for water sold and services provided by the district. The rates must be sufficient to:

(1) pay the expense of operating and maintaining district facilities;

(2) pay the principal of and interest on the bonds when due; and

(3) maintain the reserve fund and other funds as provided in the resolution authorizing the bonds.

(b) If bonds payable partly from revenue are issued, the board shall set the rate of compensation for water sold and any other services provided by the district. The rate must be sufficient to ensure compliance with the resolution authorizing the bonds or the trust indenture securing the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.260. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of bonds issued under this subchapter for:

(1) the payment of interest expected to accrue during construction not to exceed three years;

(2) a debt service reserve fund; and

(3) other funds as may be provided in the resolution authorizing the bonds or in the trust indenture.

(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purpose of the district, including any expense of issuing and selling the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6904.261. APPOINTMENT OF RECEIVER. (a) On default or a threatened default in the payment of principal of or interest on bonds issued under this subchapter that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the district.

(b) The receiver may collect and receive all district income, except taxes, employ and discharge district agents and employees, take charge of money on hand, except money received from taxes, unless commingled, and manage the proprietary affairs of the district without consent or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or to renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.262. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding bonds issued under this subchapter and interest on those bonds.

(b) Refunding bonds may:

(1) be issued to refund bonds of more than one series;

(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or

(3) be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient
to pay the principal of and interest and any required redemption premium on the bonds to be refunded to any redemption date or to their maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

(f) An election is not required for refunding bonds.

(g) The district may also issue refunding bonds under any other applicable law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.263. LIMITATION ON RIGHTS OF HOLDERS. The resolution authorizing the bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.264. BONDS EXEMPT FROM TAXATION. A bond issued under this subchapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6904.265. DETACHMENT OF DISTRICT TERRITORY AFTER ISSUANCE OF BONDS. Territory may not be detached from the district after the issuance of bonds payable from revenue or taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

CHAPTER 6905. BEEVILLE WATER SUPPLY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6905.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Beeville Water Supply District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property in the district will benefit from the works and projects to be accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The accomplishment of the purposes stated in this chapter will benefit the people of this state and improve their property and industries.
(d) The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT TERRITORY; ANNEXATION

Sec. 6905.051. DISTRICT TERRITORY. The district boundaries are coterminous with the boundaries of the City of Beeville as those boundaries existed on June 6, 1979, and as the district territory may have been modified under:
(1) this subchapter or its predecessor statutes, Sections 2 and 8, Chapter 432, Acts of the 66th Legislature, Regular Session,
Sec. 6905.052.  CITY OF BEEVILLE ANNEXATIONS.  If the City of Beeville annexes territory, the board may consider whether the new territory should also be added to the district and may:

(1) add the territory by a majority vote of the board without following the annexation procedures under Section 6905.053; or

(2) reject the addition of the new territory.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.053.  ANNEXATION BY PETITION.  (a) The district may annex territory in the manner provided by this section.

(b) The board may annex territory or a municipality under this section only if a petition requesting annexation is signed by 50 voters of the territory or municipality to be annexed, or a majority of the registered voters of that territory or municipality, whichever is fewer, and is filed with the board. The petition must describe the territory to be annexed by metes and bounds, or otherwise, except that if the territory is the same as that contained in the boundaries of a municipality, the petition is sufficient if it states that the territory to be annexed is the territory contained in the municipal boundaries.

(c) If the board determines that the petition complies with Subsection (b), that the annexation would be in the best interest of the territory or municipality and the district, and that the district will be able to supply water to the territory or municipality, the board shall:

(1) adopt a resolution stating the conditions, if any, under which the territory or municipality may be annexed to the district; and

(2) set a time and place to hold a hearing on the question
of whether the territory or municipality to be annexed will benefit from:

(A) the improvements, works, or facilities owned or operated or contemplated to be owned or operated by the district; or

(B) the other functions of the district.

(d) At least 10 days before the date of the hearing, notice of the adoption of the resolution stating the time and place of the hearing shall be published one time in a newspaper of general circulation in the territory or municipality to be annexed. The notice must describe the territory in the same manner in which Subsection (b) requires the petition to describe the territory.

(e) Any interested person may appear at the hearing and offer evidence for or against the annexation.

(f) The hearing may proceed in the order and under the rules prescribed by the board and may be recessed from time to time.

(g) If, at the conclusion of the hearing, the board finds that the property in the territory or municipality will benefit from the present or contemplated improvements, works, or facilities of the district, the board shall adopt a resolution making a finding of the benefit and calling an election in the territory or municipality proposed to be annexed.

(h) The resolution must state:

(1) the date of the election;

(2) each place where the election will be held; and

(3) the proposition to be voted on.

(i) At least 10 days before the date set for the election, notice of the election shall be given by publishing a substantial copy of the resolution calling the election one time in a newspaper of general circulation in the territory proposed to be annexed.

(j) In calling an election on the proposition for annexation of the territory or municipality, the board may include, as part of the same proposition or as a separate proposition, a proposition for:

(1) the territory or municipality to assume its part of the tax-supported bonds of the district then outstanding and those bonds previously voted but not yet sold; and

(2) an ad valorem tax to be imposed on taxable property on the territory or municipality along with the tax in the rest of the district for the payment of the bonds.

(k) If a majority of the votes cast at the election are in favor of annexation, the board by resolution shall annex the
territory or municipality to the district.

(1) The board is not required to call an election if:

(1) a petition requesting annexation is signed by all residents and landowners of the territory to be annexed, the same as provided by law for conveyance of real property; and

(2) the petition:

(A) states that the petitioners approve their share of the outstanding bonds or other obligations, and the unissued bonds, if any, of the district, and authorizes the board to set tax rates sufficient to pay their share of the debt; and

(B) is filed in the office of the county clerk of the county in which the district is located.

(m) An annexation under this section is incontestable except in the manner and within the time for contesting elections under the Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUB CHAPTER C. BOARD OF DIRECTORS

Sec. 6905.101. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five elected directors. Directors occupy numbered places on the board.

(b) A director is eligible for reelection to the board.

(c) Directors serve staggered terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.102. REMOVAL FROM OFFICE. After reasonable notice and a public hearing, the board may remove a director from office for misfeasance, malfeasance, or wilful neglect of duty. Reasonable notice and a public hearing are not required if the director to be removed expressly waives the notice and hearing in writing.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6905.103. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a) The district shall act through resolutions adopted by the board.  
(b) Each director has a vote.  
(c) The affirmative vote of at least three directors is necessary to adopt any resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.104. OFFICERS AND ASSISTANTS. (a) The board president shall:
(1) serve a one-year term; and  
(2) perform duties prescribed by the board. 
(b) The board secretary shall:
(1) be the official custodian of the board seal; and  
(2) perform other duties and functions prescribed by the board. 
(c) The board shall elect a treasurer who shall perform duties and functions prescribed by the board.  
(d) One person may hold the offices of secretary and treasurer. The secretary and treasurer are not required to be directors.  
(e) The board may appoint one or more persons who are not directors to be an assistant board secretary. An assistant secretary may perform any duty or function of the board secretary.  
(f) The board shall elect officers annually or at any time necessary to fill a vacancy.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.105. MEETINGS. The board shall have regular meetings at times specified by board resolution and shall have special meetings when called by the board president or by any three directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6905.106. PERSONAL LIABILITY OF DIRECTORS. A director is not personally liable for any bond issued or contract executed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 6905.151. GENERAL POWERS. The district may exercise any power necessary or appropriate to achieve the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.152. BYLAWS AND RULES. The district may adopt and enforce bylaws and rules for the conduct of its affairs.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.153. REGIONAL WASTE DISPOSAL. (a) The district may exercise any power granted by Chapter 30, Water Code, to a water district created under Section 59, Article XVI, Texas Constitution, including the power to collect, transport, process, treat, dispose of, and control all municipal, domestic, industrial, or communal waste, whether in fluid, solid, or composite state, including the control, abatement, or reduction of any type of pollution.

(b) The powers granted to the district by Chapter 30, Water Code, are for the purposes of conservation and development of the natural resources of this state within the meaning of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.154. PERMITS. (a) The district may obtain through
appropriate proceedings an appropriation permit or a diversion permit from the Texas Commission on Environmental Quality.

(b) The district may acquire water appropriation permits from owners of permits by contract or otherwise.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.155. PROPERTY ACQUISITION, USE, AND DISPOSITION. (a) The district may acquire, own, rent, lease, accept, hold, or dispose of any property, or any interest in property, including a right or easement, by purchase, exchange, gift, assignment, condemnation, sale, lease, or otherwise, in performing district duties or exercising district powers under this chapter.

(b) The district may hold, manage, operate, or improve property.

(c) The district may lease or rent any land, building, structure, or facility from or to any person to achieve the purposes of this chapter.

(d) The district may sell, assign, lease, encumber, mortgage, or otherwise dispose of property, or an interest in property, and release or relinquish a right, title, claim, lien, interest, easement, or demand, regardless of the manner in which acquired, and conduct a transaction authorized by this subsection by public or private sale, with or without public bidding, notwithstanding any other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.156. REQUESTS FOR AND ACCEPTANCE OF AID. The district may request and accept an appropriation, grant, allocation, subsidy, guarantee, aid, service, material, or gift from any source, including the federal government, the state, a public agency, or a political subdivision.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6905.157. DISTRICT OFFICE. The district may operate and maintain an office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.158. PERSONNEL. The district may appoint and determine the duties, tenure, qualifications, and compensation of district officers and employees, as well as any agent, professional advisor, or counselor, including any financial consultant, accountant, attorney, architect, engineer, appraiser, or financing expert, considered necessary or advisable by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.159. GENERAL MANAGER. (a) The district may employ a general manager who may be the city manager of the City of Beeville.

(b) The general manager may:
(1) employ and discharge employees; and
(2) exercise other powers conferred on the general manager by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.160. GENERAL AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A public agency or political subdivision of this state, including the City of Beeville, may enter into a contract or agreement with the district, on terms agreed to by the parties, for any purpose relating to the district's powers or functions. Approval, notice, consent, or an election is not required in connection with a contract or agreement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6905.161. CONTRACTS TO SUPPLY WATER. (a) The district may contract with municipalities and others, including the City of Beeville, to supply water. The district may sell water inside or outside the boundaries of the district.

(b) The district may contract with a public agency or political subdivision for the rental or leasing of or for the operation of the water production, water supply, water filtration or purification, and water supply facilities of the entity on the consideration agreed to by the district and the entity.

(c) A contract may be on terms and for the time agreed to by the parties.

(d) A contract may provide that it will continue in effect until bonds specified in it and refunding bonds issued in lieu of the bonds are paid.

(e) The district may contract with the City of Beeville for the operation of the district's water facilities by the city. An election is not required in connection with the contract.

(f) A public agency or political subdivision, including the City of Beeville, may enter into a contract or agreement with the district for a water supply as provided by Section 6905.160.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.005, eff. September 1, 2013.

Sec. 6905.162. SOURCES FOR WATER; ACQUISITION OF LAND; STORAGE CAPACITY. (a) The district may acquire or construct, inside or outside the district, a reservoir, well, or any work, plant, transmission line, or other facility necessary or useful to drill for, divert, impound, store, treat, or transport water to the City of Beeville and others for municipal, domestic, agricultural, industrial, mining, oil flooding, or any other useful purpose.

(b) The district may develop or otherwise acquire underground sources of water.

(c) The district may acquire land, or an interest in land, inside or outside the district, for a reservoir, well, or any work, plant, transmission line, or other facility necessary or useful to
drill for, divert, impound, store, treat, or transport water to the City of Beeville and others for municipal, domestic, agricultural, industrial, mining, oil flooding, or any other useful purpose.

(d) The district may lease, purchase, or otherwise acquire rights in and to storage and storage capacity in any reservoir constructed or to be constructed by any person or from the United States.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.163. CONSTRUCTION CONTRACTS. (a) The district may award a construction contract that requires an expenditure of more than $5,000 only after publication of notice to bidders once each week for two weeks in a newspaper of general circulation in the district.

(b) The notice is sufficient if it states:
(1) the time and place for opening the bids;
(2) the general nature of the work to be done or the material, equipment, or supplies to be purchased; and
(3) where the terms of bidding and copies of the plans and specifications may be obtained.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.164. CONVEYANCE OF LAND TO DISTRICT. A public agency or a political subdivision of this state, including the City of Beeville, may lease, sell, or otherwise convey its land or an interest in its land to the district for consideration that the parties agree is adequate. Approval, notice, consent, or an election is not required in connection with the conveyance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.165. SURPLUS PROPERTY. Subject to the terms of a resolution or deed of trust authorizing or securing bonds issued by
the district, the district may sell, lease, rent, trade, or otherwise dispose of property that the board considers is not needed for a district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.166. EMINENT DOMAIN. (a) To carry out an authority provided by this chapter, the district may exercise the power of eminent domain to acquire the fee simple title, or any other interest in land, and other property and easements, inside or outside the district, including land or an interest in land needed for a reservoir, dam, or flood easement above the probable high water line around any reservoir.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The district is a municipal corporation for the purposes of Chapter 21, Property Code.

(d) The board shall determine the amount and type of interest in land, other property, or easements to be acquired.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.167. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of the lowering, rerouting, or change in grade or alteration of construction required under Subsection (b) to provide a comparable replacement without enhancing the facility, after deducting the net salvage value derived from the old facility.

(b) If the district's exercise of its eminent domain, police, or other power requires relocating, raising, lowering, rerouting, or changing the grade of, or altering the construction of any railroad, electric transmission, telegraph, or telephone line, conduit, pole, property, facility, or pipeline, the action shall be accomplished at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6905.168. RIGHTS-OF-WAY; EASEMENTS. The district has all necessary or useful rights-of-way and easements along, over, under, and across all public, state, municipal, and county roads, highways, and places for any of its purposes. The district shall restore a facility used to its previous condition as nearly as possible at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.169. DISTRICT SEAL. The district may adopt an official seal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 6905.201. DISTRICT MONEY. The district may acquire, hold, use, and dispose of its receipts and money from every source.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.202. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the district to serve as the depository for the district's money.

(b) District money shall be deposited in the depository designated by the board, except that:

(1) bond proceeds and money pledged to pay bonds, to the extent provided in a resolution or trust indenture authorizing or securing district bonds, may be deposited with another bank or trustee named in the bond resolution or trust indenture; and

(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

(c) To the extent that money in a depository bank or the trustee bank is not insured by the Federal Deposit Insurance

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Corporation, the money must be secured in the manner provided by law for the security of municipal money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.203. INVESTMENT OF DISTRICT MONEY. The board may invest district money in obligations and make time deposits of district money in a manner determined by the board or in the manner permitted or required in a resolution or trust indenture authorizing or securing district bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.204. DISTRICT FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The district is not required to pay a tax or assessment on its facilities or any part of its facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER F. BONDS

Sec. 6905.251. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds, provide for and secure the payment of the bonds, and provide for the rights of the holders of the bonds, in the manner and to the extent permitted by this chapter.

(b) The district may issue bonds to carry out any authority conferred by this chapter. The bonds must be authorized by a board resolution.

(c) The bonds may be payable from and secured by revenue or ad valorem taxes, or both revenue and ad valorem taxes, of the district, in the manner and under the terms of the resolution authorizing the issuance of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6905.252. FORM OF BONDS. A district bond must be:
(1) issued in the district's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.253. MATURITY. District bonds must mature not later than 50 years after the date of their issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a majority of the district voters voting at an election.
(b) The board may call an election under this section without a petition. The resolution calling the election must specify:
(1) the time and places at which the election will be held;
(2) the purpose for which the bonds will be issued;
(3) the amount of the bonds;
(4) the form of the ballot; and
(5) other matters the board considers necessary or advisable.
(c) Notice of the election must be given by publishing a substantial copy of the resolution calling the election in a newspaper of general circulation in the district. The notice must be published once each week for two consecutive weeks. The first publication must be not later than the 14th day before the date of the election.
(d) The board may issue bonds not payable wholly or partly from ad valorem taxes without an election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6905.255. BONDS SECURED BY REVENUE; ADDITIONAL BONDS. (a) Bonds issued under this subchapter may be secured by a pledge of all or part of the district's revenue, or by all or part of the revenue of one or more contracts previously or subsequently made or other revenue or income specified by board resolution or a trust indenture securing the bonds. The pledge may reserve the right, under conditions specified by the pledge, to issue additional bonds that will be on a parity with or subordinate to the bonds then being issued.

(b) The district may issue bonds secured by both taxes and revenue of the district described by Subsection (a).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.256. BONDS PAYABLE FROM AD VALOREM TAXES. (a) If bonds are issued payable wholly or partly from ad valorem taxes, the board shall annually impose a tax on the taxable property in the district in an amount sufficient to pay the principal of and interest on the bonds when due.

(b) The district may adopt the rate of a tax imposed under Subsection (a) after giving consideration to the money received from the pledged revenue that may be available for payment of principal and interest, to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.257. ADDITIONAL SECURITY. (a) Bonds, including refunding bonds, authorized by this subchapter that are not payable wholly from ad valorem taxes may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on physical property of the district, franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee power to:

1. sell the property for the payment of the debt;
2. operate the property; and
3. take other action to further secure the bonds.
(b) A purchaser under a sale under the deed of trust lien, if one is given:

(1) is the absolute owner of property, facilities, and rights purchased; and

(2) is entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.258. TRUST INDENTURE. (a) A bond issued under this subchapter, including a refunding bond, that is not payable wholly from ad valorem taxes may be additionally secured by a trust indenture. The trustee may be a bank with trust powers located inside or outside the state.

(b) A trust indenture, regardless of the existence of the deed of trust or mortgage lien on the property, may:

(1) provide for the security of the bonds and the preservation of the trust estate in the manner prescribed by the board;

(2) provide for amendment or modification of the trust indenture;

(3) provide for the issuance of bonds to replace lost or mutilated bonds;

(4) condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and

(5) provide for the investment of district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.259. DEANNEXATION OF DISTRICT TERRITORY AFTER ISSUANCE OF BONDS. Territory may not be deannexed from the district after the issuance of bonds payable from revenue or taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6905.260. CHARGES FOR DISTRICT SERVICES. (a) If bonds payable wholly from revenue are issued, the board shall set and revise the rates of compensation for water sold and services provided by the district. The rates must be sufficient to:

1. pay the expense of operating and maintaining district facilities;
2. pay the principal of and interest on the bonds when due; and
3. maintain the reserve fund and other funds as provided in the resolution authorizing the bonds.

(b) If bonds payable partly from revenue are issued, the board shall set and revise the rate of compensation for water sold and any other services provided by the district. The rate must be in an amount sufficient to ensure compliance with the resolution authorizing the bonds or the trust indenture securing the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.261. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of bonds issued under this subchapter for:

1. the payment of interest expected to accrue during construction not to exceed three years;
2. a reserve interest and sinking fund; and
3. other funds as may be provided in the resolution authorizing the bonds or in the trust indenture.

(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purpose of the district, including:

1. any expense of issuing and selling the bonds; and
2. the amount needed to operate the district during construction of the improvements.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.262. APPOINTMENT OF RECEIVER. (a) On default or a threatened default in the payment of principal of or interest on
bonds issued under this subchapter that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the district.

(b) The receiver may collect and receive all district income, except taxes, employ and discharge district agents and employees, take charge of money on hand, except money received from taxes, unless commingled, and manage the proprietary affairs of the district without consent or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or to renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.263. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding bonds issued under this subchapter and interest on those bonds.

(b) Refunding bonds may:
(1) be issued to refund bonds of more than one series;
(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or
(3) be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest and any required redemption premium on the bonds to be refunded to any redemption date or to
their maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

(f) An election is not required for refunding bonds.

(g) The district may also issue refunding bonds under any other applicable law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.264. LIMITATION ON RIGHTS OF HOLDERS. The resolution authorizing the bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the source to institute or prosecute litigation affecting the district's property or income.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6905.265. BONDS EXEMPT FROM TAXATION. A bond issued under this subchapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

CHAPTER 6906. CORYELL CITY WATER SUPPLY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6906.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Bond" means a bond or note.

(3) "Director" means a member of the board.

(4) "District" means the Coryell City Water Supply District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6906.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Coryell County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district and other areas to be served by the district's works and projects will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state for the improvement of their property and industries. The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 435, Acts of the 66th Legislature, Regular Session, 1979, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 6906.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of 11 directors, each of whom occupies a numbered place on the board.

(b) Directors serve staggered two-year terms, with the terms of the directors occupying Places 1, 2, 3, 4, and 5 expiring on April 1 of each even-numbered year and the terms of the directors occupying Places 6, 7, 8, 9, 10, and 11 expiring April 1 of each odd-numbered year.

(c) In March of each year, the Commissioners Court of Coryell County shall appoint directors to succeed directors whose term of office will expire on April 1. The appointed directors' terms begin on April 1 of that year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.052. QUALIFICATIONS FOR OFFICE. (a) Directors must be appointed from areas in Coryell County as follows:

(1) one each from the Oglesby-Mound area and Levita area;
(2) two each from the Pancake area, Jonesboro area, and Turnersville area; and
(3) three from the Coryell City area.

(b) To be eligible to succeed a director whose term of office is about to expire, a person must be appointed from the same geographical area as the geographical area that the director represents.

(c) Each director is eligible for reappointment.

(d) To be eligible to be appointed or to serve as a director, a person must be a resident, qualified voter of the geographical area from which the person is appointed.

(e) A director may not hold any other public office.
Sec. 6906.053. VACANCIES. Any vacancy occurring on the board shall be filled for the unexpired term by appointment in the manner in which the vacating director was appointed.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.054. REMOVAL FROM OFFICE. After reasonable notice and a public hearing, the board may remove a director from office for misfeasance, malfeasance, or wilful neglect of duty. Reasonable notice and a public hearing are not required if the notice and hearing are expressly waived in writing.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.055. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a) The district shall act by resolutions adopted by the board.

(b) All directors are entitled to vote.

(c) The affirmative vote of a majority of the directors present is necessary to adopt a resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.056. OFFICERS AND ASSISTANTS. (a) The board shall elect a president, vice president, secretary, and treasurer at the first meeting of the newly constituted board each year and at any time necessary to fill a vacancy.

(b) The board shall elect the president and vice president from among the directors.

(c) The offices of secretary and treasurer:

(1) may be held by one person; and

(2) are not required to be held by a director.
(d) The board may appoint as assistant board secretary one or more persons who are not directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.057. DUTIES OF OFFICERS AND ASSISTANTS. (a) The board president shall preside at board meetings and perform other duties prescribed by the board.

(b) The board treasurer shall perform duties and functions prescribed by the board.

(c) The board secretary is the official custodian of the minutes, books, records, and seal of the board and shall perform other duties and functions prescribed by the board. An assistant board secretary may perform any duty or function of the board secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.058. MEETINGS. The board shall have regular meetings at times specified by board resolution and shall have special meetings when called by the board president or by any two directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.059. PERSONAL LIABILITY OF DIRECTORS. A director is not personally liable for any bond issued or contract executed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 6906.101. GENERAL POWERS. The district has all powers necessary or appropriate to achieve the purposes of this chapter.
Sec. 6906.102. GENERAL POWERS REGARDING WATER. The district has all rights, powers, and privileges necessary or useful to enable it to acquire, provide, supply, deliver, and sell potable water for any beneficial purpose in its boundaries and vicinity and in Coryell and McLennan Counties.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.103. GENERAL POWERS REGARDING WASTE. (a) The district has all rights, powers, and privileges necessary or useful to enable it to collect, transport, dispose of, and control domestic, industrial, or communal wastes, whether in fluid, solid, or composite state, inside and outside its boundaries.

(b) The district may exercise any power granted by Chapter 30, Water Code, to a district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.104. DISTRICT BYLAWS AND RULES. The district may adopt and enforce:

(1) bylaws and rules for the conduct of its affairs; and

(2) rules that a municipal utility district may adopt and enforce under Sections 54.205 et seq., Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.105. PROPERTY ACQUISITION, USE, AND DISPOSITION. (a) The district may acquire, own, rent, lease, accept, hold, or dispose of property, or an interest in property, including a right or easement, by purchase, exchange, gift, assignment, condemnation,
sale, lease, or otherwise, in performing district duties or exercising district powers under this chapter.

(b) The district may hold, manage, operate, or improve property.

(c) The district may lease or rent any land, building, structure, or facility from or to any person to achieve the purposes of this chapter.

(d) The district may sell, assign, lease, encumber, mortgage, or otherwise dispose of property, or an interest in property, and release or relinquish a right, title, claim, lien, interest, easement, or demand, regardless of the manner in which acquired, and conduct a transaction authorized by this subsection by public or private sale, with or without public bidding, notwithstanding any other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.106. REQUESTS FOR AND ACCEPTANCE OF AID. The district may request and accept an appropriation, grant, allocation, subsidy, guarantee, aid, service, material, or gift from any public or private source, including the federal government, the state, a public agency, or a political subdivision.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.107. DISTRICT OFFICE. The district may operate and maintain an office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.108. PERSONNEL. The district may appoint and determine the duties, tenure, qualifications, and compensation of district officers and employees, as well as any agent, professional advisor, or counselor, including any financial consultant, accountant, attorney, architect, engineer, appraiser, or financing
Sec. 6906.109. PERMITS. (a) The district may obtain through appropriate proceedings permits from the Texas Commission on Environmental Quality.

(b) The district may acquire water appropriation permits from owners of permits by contract or otherwise.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.110. GENERAL CONTRACT POWERS. (a) The district may enter into and enforce a contract or agreement necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred on the district by this chapter or the general law, including a contract or agreement with any person as the board considers necessary or proper for, or in connection with, any power or function of the district for:

(1) the purchase or other acquisition, storage, transportation, distribution, delivery, or sale of water;
(2) the collection, transportation, processing, or disposal of waste; or
(3) the construction, acquisition, ownership, financing, operation, maintenance, sale, leasing to or from, or other use or disposition of any facilities authorized to be developed, acquired, or constructed under this chapter or the general law.

(b) The authority to enter into or enforce the contract or agreement includes the authority to enter into or enforce a contract or agreement regarding:

(1) any improvements, structures, facilities, equipment, and other property of any kind in connection with the subject of the contract or agreement;
(2) any related land, leaseholds, and easements; and
(3) any interests in the property.

(c) The contract or agreement:

(1) may not have a term of more than 40 years; and
(2) may contain provisions the board determines to be in the best interest of the district.

(d) The district may pledge all or part of its revenue to the payment of its obligations under the contract or agreement to the same extent and on the same conditions as it may pledge revenue to secure district bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.111. AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. (a) A public agency or political subdivision of this state may enter into a contract or agreement with the district, on terms agreed to by the parties, for:

(1) the purchase or sale of water;

(2) waste collection, processing, or disposal; or

(3) any purpose relating to the district's powers or functions.

(b) Approval, notice, consent, or an election is not required in connection with a contract or agreement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.112. ACQUISITION OF LAND; STORAGE CAPACITY. (a) The district may acquire land, or an interest in land, inside or outside the district for any work, plant, or other facility necessary or useful to divert, impound, store, drill for, pump, treat, or transport water for municipal, domestic, industrial, mining, oil flooding, or any other useful purpose.

(b) The district may lease, purchase, or otherwise acquire rights in and to storage and storage capacity in any reservoir constructed or to be constructed by the United States or any other person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6906.113. CONSTRUCTION CONTRACTS. (a) The district may award a construction contract that requires an expenditure of more than $5,000 only after publication of notice to bidders once each week for two consecutive weeks in a newspaper of general circulation in the district.

(b) The notice is sufficient if it states:

1. the time and place for opening the bids;
2. the general nature of the work to be done;
3. the material, equipment, or supplies to be purchased; and
4. where the terms of bidding and copies of the plans and specifications may be obtained.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.114. CONVEYANCE OF LAND TO DISTRICT. A public agency or political subdivision of this state may lease, sell, or otherwise convey to the district any of its land, improvements, property, plants, lines, or other facilities related to the supply of water or the collection, processing, or disposal of waste for any consideration that the parties agree is adequate. Approval, notice, consent, or an election is not required in connection with a conveyance, contract, or agreement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.115. DISPOSAL OF PROPERTY. Subject to the terms of a resolution or deed of trust authorizing or securing bonds issued by the district, the district may sell, lease, rent, trade, or otherwise dispose of property under terms considered by the board to be consistent with district purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.116. EMINENT DOMAIN. (a) To carry out a power
provided by this chapter, the district may exercise the power of eminent domain to acquire the fee simple title to land, or any other interest in land, and other property and easements, inside or outside the district.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to:

(1) give bond for appeal or bond for costs in a condemnation or other suit to which it is a party; or
(2) deposit double the amount of an award in a suit.

(c) The district is a municipal corporation for the purposes of Chapter 21, Property Code.

(d) The board shall determine the amount and the type of interest in land, other property, or easements to be acquired.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.117. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, the term "sole expense" means the actual cost of the relocation, raising, lowering, rerouting, or change in grade or alteration of construction required under Subsection (b) to provide a comparable replacement without enhancing the facility, after deducting the net salvage value derived from the old facility.

(b) If the district's exercise of its eminent domain, police, or other power requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, electric, transmission, telegraph, or telephone line, conduit, pole, property or facility, or pipeline, the action shall be accomplished at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.118. RIGHTS-OF-WAY; EASEMENTS. The district has all necessary or useful right-of-way and easements along, over, under, and across all public, state, municipal, and county roads, highways, and places for any of its purposes. The district shall restore a facility used to its previous condition as nearly as possible at the
sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.119. SEAL. The district may adopt an official seal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 6906.151. DISTRICT MONEY. The district may acquire, hold, use, and dispose of its receipts and money from any source.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.152. AUTHORITY TO BORROW MONEY AND ISSUE BONDS. The district, in the manner and to the extent permitted by this chapter, may:

1. borrow money for any of its corporate purposes;
2. enter into agreements in connection with the borrowing;
3. issue its bonds for money borrowed;
4. provide for and secure the payment of its bonds; and
5. provide for the rights of the holders of its bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.153. DEPOSITORY. (a) The board shall designate one or more banks or savings and loan associations inside or outside the district to serve as the depository for the district's money.

(b) All of the district's money shall be deposited in the depository designated by the board, except that:

1. bond proceeds and money pledged to pay bonds, to the extent provided in a resolution or trust indenture authorizing or securing district bonds, may be deposited with another bank or
trustee named in the bond resolution or trust indenture; and

(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

(c) To the extent that money in a depository bank or trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.154. INVESTMENT OF DISTRICT MONEY. The board may invest district money in obligations and make time deposits of district money in a manner determined by the board or in the manner permitted or required in a resolution or trust indenture authorizing or securing district bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.155. DISTRICT FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The district is not required to pay a tax or assessment on its facilities or any part of its facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

**SUBCHAPTER E. BONDS**

Sec. 6906.201. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds payable from and secured by district revenue to carry out any purpose or power conferred on the district by this chapter. The bonds must be authorized by a board resolution.

(b) The bonds must be issued in the manner and under the terms of the resolution authorizing the issuance of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6906.202. FORM OF BONDS. District bonds must be:
(1) issued in the district's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.203. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.204. BONDS SECURED BY REVENUE; ADDITIONAL BONDS. (a) District bonds may be secured by a pledge of all or part of the district's revenue, or by all or part of the payments or rentals under one or more contracts or leases specified by board resolution or a trust indenture securing the bonds.

(b) A resolution authorizing the issuance of bonds secured by a pledge of revenue of all or part of the district's facilities may provide that the district shall first pay the expenses of operating and maintaining all or part of the facilities as the board considers appropriate before paying the principal of and interest on the bonds.

(c) A resolution authorizing the issuance of bonds secured by revenue, contract payments, or lease rentals may reserve to the district the right, under conditions specified by the resolution, to issue additional bonds that will be on a parity with, superior to, or subordinate to the bonds then being issued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.205. ADDITIONAL SECURITY. (a) District bonds may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on all or part of the district's physical property, facilities, easements, franchises, water rights and appropriation permits, leases, contracts, and all rights appurtenant
to the property, vesting in the trustee power to:

1. sell the property for the payment of the debt;
2. operate the property; and
3. take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust lien, if one is given:

1. is the absolute owner of the property, facilities, and rights purchased; and
2. is entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.206. TRUST INDENTURE. (a) District bonds, including refunding bonds, may be additionally secured by a trust indenture. The trustee may be a bank with trust powers located inside or outside the state.

(b) A trust indenture, regardless of the existence of a deed of trust or mortgage lien on the property, may:

1. provide for the security of the bonds and the preservation of the trust estate in the manner prescribed by the board;
2. provide for amendment or modification of the trust indenture;
3. provide for the issuance of bonds to replace lost or mutilated bonds;
4. condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and
5. provide for the investment of district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.207. CHARGES FOR DISTRICT SERVICES. If district bonds payable wholly from revenue are issued, the board shall set and revise the rates, fees, and charges assessed for water sold and waste collection and treatment services provided by the district. The
rates, fees, and charges must be sufficient to:

(1) pay the expense of operating and maintaining the
district facilities that generate the revenue from which the bonds
will be paid;

(2) pay the principal of and interest on the bonds when
due; and

(3) maintain the reserve fund and other funds as provided
in the resolution authorizing the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.208. STATE PLEDGE REGARDING RIGHTS AND REMEDIES OF
BONDHOLDERS. Without depriving this state of its power to regulate
and control the rates, fees, and charges assessed for water sold and
waste collection and treatment services provided by the district, the
state pledges to and agrees with the holders of district bonds that
the state will not exercise its power to regulate and control the
rates, fees, and charges in any way that would impair the rights or
remedies of the holders of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.209. USE OF BOND PROCEEDS. (a) The district may set
aside an amount of proceeds from the sale of district bonds for:

(1) the payment of interest expected to accrue during
construction not to exceed three years;

(2) a debt service reserve fund; and

(3) other funds as may be provided in the resolution
authorizing the bonds or in the trust indenture.

(b) The district may use proceeds from the sale of the bonds to
pay any expense necessarily incurred in accomplishing the purpose of
the district, including any expense of issuing and selling the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
Sec. 6906.210. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on district bonds that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the district.

(b) The receiver may collect and receive all district income, employ and discharge district agents and employees, take charge of money on hand, and manage the proprietary affairs of the district without consent or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or the collection, processing, or disposal of waste or to renew contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.211. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding district bonds and interest on those bonds.

(b) Refunding bonds may:

(1) be issued to refund bonds of more than one series;
(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or
(3) be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient
to pay the principal of and interest and any required redemption premium on the bonds to be refunded to any redemption date or to their maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

(f) The district may also issue refunding bonds under any other applicable law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.212. OTHER REMEDIES AND COVENANTS. The resolution authorizing the issuance of any district bonds, including refunding bonds, or the trust indenture securing the bonds, may provide other remedies and covenants the board considers necessary to issue the bonds on the most favorable terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.213. LIMITATION ON RIGHTS OF BONDHOLDERS. The resolution authorizing the bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.214. BONDS EXEMPT FROM TAXATION. A district bond, the transfer of the bond, and the income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.
CHAPTER 6907.  PLUM CREEK FRESH WATER SUPPLY DISTRICT NO. 1

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 6907.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Plum Creek Fresh Water Supply District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

Sec. 6907.002.  NATURE OF DISTRICT.  The district is a fresh water supply district created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

Sec. 6907.003.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

SUBCHAPTER B.  BOARD OF DIRECTORS

Sec. 6907.051.  GOVERNING BODY; TERMS.  (a) The district is governed by a board of five elected directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

Sec. 6907.052.  QUALIFICATIONS.  To be qualified to serve as a director, a person must be:
(1) at least 18 years of age;
(2) a resident of this state; and
(3) an owner of land subject to taxation in the district or a qualified voter of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 6907.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

Sec. 6907.102. FRESH WATER SUPPLY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state applicable to fresh water supply districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 53, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

Sec. 6907.103. AUTHORITY FOR DRAINAGE PROJECTS. The district may purchase, construct, acquire, own, operate, maintain, repair, or improve all works, improvements, facilities, plants, equipment, and appliances necessary to gather, conduct, divert, and control local stormwater or other local harmful excesses of water in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

Sec. 6907.104. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the territory of the district as it existed on the date the district was created.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election to confirm the district's creation.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as provided by Section 49.102, Water Code.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.
Sec. 6907.105. ADDITION OF LAND. Land that is adjacent to the district may be added to the district in the manner provided by and in accordance with the requirements of Subchapter J, Chapter 49, Water Code, whether or not the land is located in the same county.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 6907.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 6907.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 53, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

Sec. 6907.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 6907.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.
Sec. 6907.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

Sec. 6907.154. TAX ASSESSOR AND COLLECTOR. Sections 53.072-53.075, Water Code, do not apply to the district. The board may employ or contract with a tax assessor and collector for the district as provided by Chapter 49, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 6907.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

Sec. 6907.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Section 53.188, Water Code.
Sec. 6907.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 51 (S.B. 799), Sec. 2, eff. May 19, 2009.

CHAPTER 6908. LIBERTY LAKES FRESH WATER SUPPLY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6908.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Liberty Lakes Fresh Water Supply District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

Sec. 6908.002. NATURE OF DISTRICT. The district is a fresh water supply district created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

Sec. 6908.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 6908.051. GOVERNING BODY; TERMS.  (a) The district is governed by a board of five elected directors.
  (b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

Sec. 6908.052. QUALIFICATIONS.  To be qualified to serve as a director, a person must be:
  (1) at least 18 years of age;
  (2) a resident of this state; and
  (3) an owner of land subject to taxation in the district or a qualified voter of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 6908.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

Sec. 6908.102. FRESH WATER SUPPLY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state applicable to fresh water supply districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 53, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.
Sec. 6908.103. AUTHORITY FOR DRAINAGE PROJECTS. The district may purchase, construct, acquire, own, operate, maintain, repair, or improve all works, improvements, facilities, plants, equipment, and appliances necessary to gather, conduct, divert, and control local stormwater or other local harmful excesses of water in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

Sec. 6908.104. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the territory of the district as it existed on the date the district was created.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.
(h) Any new district created by the division of the district shall hold a confirmation and directors' election as provided by Section 49.102, Water Code.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

Sec. 6908.105. ADDITION OF LAND. Land that is adjacent to the district may be added to the district in the manner provided by and in accordance with the requirements of Subchapter J, Chapter 49, Water Code, whether or not the land is located in the same county.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 6908.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 6908.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 53, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff.
Sec. 6908.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 6908.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

Sec. 6908.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

Sec. 6908.154. TAX ASSESSOR AND COLLECTOR. Sections 53.072-53.075, Water Code, do not apply to the district. The board may employ or contract with a tax assessor and collector for the district as provided by Chapter 49, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 6908.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract
payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

Sec. 6908.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Section 53.188, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

Sec. 6908.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 56 (S.B. 914), Sec. 2, eff. May 19, 2009.

CHAPTER 6909. MIDLAND COUNTY FRESH WATER SUPPLY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6909.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of supervisors.
(2) "District" means the Midland County Fresh Water Supply District No. 1.
(3) "Supervisor" means a board member.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1253 (H.B. 64), Sec. 1, eff. June 14, 2013.

Sec. 6909.002. TORT LIABILITY. (a) The district is a
governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are essential government functions and are not proprietary functions for any purpose, including the application of that chapter.

(b) The district, a supervisor, or a district employee is not liable for damages arising out of the performance of a governmental function of the district, except as provided by Chapter 101, Civil Practice and Remedies Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1253 (H.B. 64), Sec. 1, eff. June 14, 2013.

Sec. 6909.003. NO LIABILITY FOR JOINT ENTERPRISE. The common law doctrine of vicarious liability because of participation in a joint enterprise does not impose liability on the district or a municipality that contracts with the district for a claim brought under Chapter 101, Civil Practice and Remedies Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1253 (H.B. 64), Sec. 1, eff. June 14, 2013.

Sec. 6909.004. MANDATORY VENUE. Venue for an action brought against the district is in Midland County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1253 (H.B. 64), Sec. 1, eff. June 14, 2013.

CHAPTER 6910. HULL FRESH WATER SUPPLY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6910.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of supervisors of the district.
(2) "District" means the Hull Fresh Water Supply District.
(3) "Supervisor" means a member of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.
Sec. 6910.002. NATURE OF DISTRICT. The district is:
(1) a conservation and reclamation district in Liberty County under Section 59, Article XVI, Texas Constitution;
(2) a fresh water supply district; and
(3) a municipal corporation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6910.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the creation of the district and the improvements that the district will purchase, construct, or otherwise acquire.
(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6910.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 533, Acts of the 57th Legislature, Regular Session, 1961, as that territory may have been modified under:
(1) Subchapter G, Chapter 53, Water Code, before September 1, 1995;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

**SUBCHAPTER B. BOARD OF SUPERVISORS**

Sec. 6910.051. COMPOSITION OF BOARD. The board consists of five elected supervisors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.
Sec. 6910.101. GENERAL POWERS AND DUTIES. The district has all the rights, powers, privileges, and duties provided by general law applicable to a fresh water supply district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 53, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6910.102. ACQUISITION OF IMPROVEMENTS. The district may make, construct, or otherwise acquire improvements inside or outside the district that are necessary to carry out a power granted to the district under this chapter or a general law described by Section 6910.101.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6910.103. LIMIT ON EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain outside the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6910.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or...
facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 6910.151. DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board shall appoint a tax assessor-collector for the district for a term not to exceed the term of office of the supervisors making the appointment.

(b) The district's tax assessor-collector is not required to be a resident or voter of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

CHAPTER 6912. MEMORIAL VILLAGES WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6912.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Memorial Villages Water Authority.

(2) "Board" means the board of supervisors of the authority.

(3) "Supervisor" means a member of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6912.002. NATURE OF AUTHORITY. The authority is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution, and a political subdivision of this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.
Sec. 6912.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The authority is created to serve a public use and benefit.

(b) All land included in the boundaries of the authority will benefit from the authority.

(c) The authority is essential to the accomplishment of the preservation and conservation of the natural resources of this state.

(d) This chapter addresses a subject in which the state and general public are interested.

(e) Because the accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries, the authority in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6912.004. AUTHORITY TERRITORY. The authority is composed of the territory described by Section 1, Chapter 20, Acts of the 57th Legislature, 3rd Called Session, 1962, as that territory may have been modified under:

2. Subchapter J, Chapter 49, Water Code; or
3. other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6912.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the authority by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.
Sec. 6912.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF SUPERVISORS

Sec. 6912.051. COMPOSITION OF BOARD. The board consists of seven elected supervisors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6912.052. QUALIFICATIONS FOR OFFICE. A supervisor must:

(1) be at least 18 years of age; and
(2) reside in and own land in the authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6912.053. ELIGIBILITY FOR CANDIDACY FOR BOARD POSITIONS.

(a) To be eligible as a candidate for Position 1 or Position 2, a person must at the time be a resident of the City of Hedwig Village, Texas.

(b) To be eligible as a candidate for Position 3 or Position 4, a person must at the time be a resident of the City of Hunters Creek Village, Texas.

(c) To be eligible as a candidate for Position 5 or Position 6, a person must at the time be a resident of the City of Piney Point Village, Texas.

(d) Position 7 is an at-large position.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6912.054. SUPERVISORS' ELECTION. (a) Notice of a supervisors' election must be published once in a newspaper of
general circulation in Harris County at least 30 days before the date
of the election.

(b) The election order must state the time, place, and purpose
of the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02,
eff. April 1, 2017.

Sec. 6912.055. BALLOT PROCEDURE FOR CANDIDATES. (a) A person
who wants the person's name printed on the ballot as a candidate for
supervisor must submit a petition to the board's secretary requesting
that action.

(b) The petition must be signed by at least 10 residents of the
authority who are qualified to vote at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02,
eff. April 1, 2017.

Sec. 6912.056. SUPERVISOR'S BOND. Each supervisor shall give a
bond in the amount of $5,000 for the faithful performance of the
supervisor's duties.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02,
eff. April 1, 2017.

Sec. 6912.057. VACANCIES. A vacancy on the board shall be
filled by appointment by the remaining supervisors until the next
election of supervisors for the authority. If the position is not
scheduled to be filled at the election, the person elected to fill
the position shall serve only for the remainder of the unexpired
term.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02,
eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 6912.101. GENERAL POWERS. The authority has all the
rights, powers, and privileges provided by general law applicable to a fresh water supply district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 53, Water Code, and by all other laws that are helpful in carrying out the purposes for which the authority is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6912.102. CONTRACTS TO SUPPLY WATER OR SEWAGE SERVICES. (a) The authority may contract with a municipality or other entity to supply to the entity water or sewage services. A municipality or other entity may contract with the authority to supply to the authority water or sewage services.

(b) The authority may contract with a municipality for the rental or leasing of or for the operation of the municipality's water production, water supply, water filtration, or purification and water supply facilities or sewerage system or facilities. A municipality may contract with the authority for the rental or leasing of or for the operation of the authority's water production, water supply, water filtration, or purification and water supply facilities or sewerage system or facilities.

(c) A contract may be:

(1) on the terms and for the consideration agreed to by the parties; and

(2) for any period not to exceed 50 years.

(d) An election is not required by a municipality for approval of a water, sewer, or water and sewer contract. A contract may be entered into without the necessity of an election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6912.103. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.
(b) If the authority's exercise of the power of eminent domain, the power of relocation, or any other power makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 6912.151. TAX METHOD. (a) The authority shall use the ad valorem plan of taxation.
(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6912.152. IMPOSITION OF TAXES; TAX ASSESSOR-COLLECTOR.
(a) Except as provided by this section, all provisions of the general laws governing fresh water supply districts that relate to the imposition of ad valorem taxes apply to the authority.
(b) The board shall appoint a tax assessor-collector for the authority.
(c) The tax assessor-collector:
   (1) shall serve at the pleasure of the board; and
   (2) is not required to be a resident or voter of the authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6912.153. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the authority to serve as a depository for authority money.
(b) All authority money shall be deposited in a depository
bank, except that sufficient money shall be remitted to the appropriate bank of payment to pay the principal of and interest on the authority's outstanding bonds on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the board of an officer or director of a bank does not disqualify the bank from being designated as a depository.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6912.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The authority is not required to pay a tax or assessment on an authority project or any part of the project.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

SUBCHAPTER E. BONDS
Sec. 6912.201. BONDS EXEMPT FROM TAXATION. An authority bond, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

CHAPTER 6913. HASKELL COUNTY WATER SUPPLY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 6913.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commissioners court" means the Haskell County Commissioners Court.
(3) "Director" means a board member.
(4) "District" means the Haskell County Water Supply District.
Sec. 6913.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution.

Sec. 6913.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land in the district will benefit from the improvements to be acquired and constructed by the district.

(b) Because the accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries, the district in carrying out the purposes of this chapter performs an essential public function under the Texas Constitution.

SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT TERRITORY

Sec. 6913.051. DISTRICT TERRITORY. The district is composed of the territory described by Section 2, Chapter 141, Acts of the 54th Legislature, Regular Session, 1955, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code;
(2) this subchapter or its predecessor statute, former Section 5, Chapter 141, Acts of the 54th Legislature, Regular Session, 1955; or
(3) other law.

Sec. 6913.052. ANNEXATION OF TERRITORY IN HASKELL COUNTY.
Territory in Haskell County, whether the territory is contiguous to the district or not, may be annexed to the district as provided by this subchapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.053. PETITION FOR ANNEXATION; BOARD DETERMINATION AND RESOLUTION. (a) Territory may be annexed to the district under this subchapter if a petition requesting annexation is filed with the board.

(b) The petition must:
   (1) be signed by:
      (A) 50 registered voters of the territory proposed to be annexed who own taxable property in that territory; or
      (B) a majority of the registered voters of that territory who own taxable property in that territory; and
   (2) describe the territory proposed to be annexed by metes and bounds.

(c) If the board determines that the petition complies with Subsection (b), that the annexation would be in the district's interest, and that the district will be able to supply water to the proposed territory, the board shall:
   (1) adopt a resolution requesting that the commissioners court annex the territory to the district and stating any conditions for annexation of the territory; and
   (2) deliver a certified copy of the resolution and of the petition to the commissioners court.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.054. COMMISSIONERS COURT RESOLUTION; SETTING ANNEXATION HEARING. On receipt of a board resolution and petition under this subchapter, the commissioners court shall:
   (1) adopt a resolution that declares the court's intention to call an election in the proposed territory on the proposition of whether to annex the territory to the district; and
   (2) set a time and place to hold a hearing on the question
of whether the proposed territory will benefit from the improvements, works, and facilities then owned or operated or contemplated to be owned or operated by the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.055. NOTICE OF ANNEXATION HEARING. (a) Not later than the 10th day before the date of the annexation hearing, notice of the resolution adopted under Section 6913.054 shall be published one time in a newspaper designated by the commissioners court, except as provided by Subsection (c).

(b) The notice must:
(1) be addressed to the citizens and owners of property in the proposed territory;
(2) state the time and place of the annexation hearing; and
(3) describe the proposed territory in the same manner as Section 6913.053(b) requires.

(c) If a newspaper is not published in the proposed territory, the notice shall be posted in three public places in the proposed territory.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.056. ANNEXATION HEARING. (a) The annexation hearing may proceed in the order and under the rules prescribed by the commissioners court, and the court may recess the hearing.

(b) Any interested person may appear at the annexation hearing and offer evidence for or against the proposed annexation.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.057. ANNEXATION FINDINGS AND RESOLUTION; ELECTION PROPOSITIONS. (a) At the conclusion of the annexation hearing, if the commissioners court finds that all the proposed territory will benefit from the present or contemplated improvements, works, or
facilities of the district, the commissioners court shall adopt a resolution that:

(1) calls an election in the proposed territory; and
(2) states the date of the election and the place or places of holding the election.

(b) In calling an election on the proposition for annexation of the proposed territory, the commissioners court may include in the same proposition a proposition for:

(1) the territory to assume its part of the tax-supported bonds of the district then outstanding and those bonds previously voted but not yet sold; and
(2) an ad valorem tax to be imposed on taxable property in the territory along with the tax in the rest of the district for the payment of the bonds.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.058. NOTICE OF ANNEXATION ELECTION. (a) Not later than the 10th day before the date set for the election, notice of the election shall be published one time in a newspaper designated by the commissioners court, except as provided by Subsection (c).

(b) In addition to the requirements of Section 4.004, Election Code, notice of the annexation election must:

(1) state the conditions under which the proposed territory may be annexed; or
(2) refer to the resolution of the board for that purpose.

(c) If a newspaper is not published in the proposed territory, the notice shall be posted in three public places in the territory.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.059. ANNEXATION ELECTION RESULTS. (a) The commissioners court shall issue an order declaring the results of the annexation election.

(b) If the order shows that a majority of the votes cast are in favor of annexation, the commissioners court shall annex the proposed territory to the district. The annexation is incontestable except in
the time for contesting elections under the Election Code.

(c) A certified copy of the order shall be recorded in the deed records of Haskell County.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.060. ASSUMPTION OF DEBT; TAXES. (a) After territory is annexed to the district, the board may order an election in the district as enlarged to determine whether the district as enlarged shall assume any tax-supported bonds then outstanding and those previously voted but not yet sold and impose an ad valorem tax on all taxable property in the district as enlarged to pay the bonds, unless the proposition is voted along with the annexation election and becomes binding on the territory annexed.

(b) An election ordered under Subsection (a) shall be held in the same manner as an election under this chapter for the issuance of bonds.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.061. RESTRICTION ON ANNEXATION OF RAILROAD RIGHT-OF-WAY OR UTILITY PROPERTY. A railroad right-of-way or a transmission line or another item of property of an electric or gas utility that is not located inside the limits of a municipality will not benefit from improvements, works, or facilities the district is authorized to construct. Therefore, a railroad right-of-way or a transmission line or another item of property of an electric or gas utility may not be annexed to the district unless the right-of-way or property is located inside the limits of a municipality annexed to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 6913.101. DIRECTORS. The district is governed by a board of five elected directors.
Sec. 6913.102. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed a director unless the person resides in and owns taxable property in the district.

(b) A member of a municipality's governing body or an employee of a municipality may not be a director.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.103. NOTICE OF DIRECTORS' ELECTION. Notice of a directors' election shall be published once in a newspaper published in Haskell County not later than the 10th day before the date of the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.104. OFFICERS. (a) The board shall elect from the board's membership a president, a vice president, and any other officers that the board determines are necessary.

(b) The board shall appoint a secretary and a treasurer, who are not required to be directors. The board may combine the offices of secretary and treasurer.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.105. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.
Sec. 6913.106. ABSENCE OR INACTION OF BOARD PRESIDENT. When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all powers this chapter gives the president.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.107. DIRECTOR AND TREASURER BONDS. (a) Each director shall give bond in the amount of $5,000 conditioned on the faithful performance of the director's duties.

(b) The treasurer shall give bond in the amount required by the board. The treasurer's bond shall be conditioned on the treasurer's faithful accounting for all money that comes into the treasurer's custody as treasurer of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.108. COMPENSATION OF DIRECTORS. (a) Each director:

(1) shall receive a fee not to exceed $5 for attending each board meeting; and

(2) is also entitled to receive $5 for each day devoted to the business of the district if the service is expressly approved by the board.

(b) In all areas of conflict with Subsection (a) of this section, Section 49.060, Water Code, takes precedence.

(c) A director's compensation may be increased as authorized by Section 49.060, Water Code, by resolution adopted by the board in accordance with Subsection (e) of that section on or after September 1, 1995.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 6913.151. ACQUISITION OF WATER OR WATER RIGHTS. (a) The district may acquire a groundwater or surface water supply.
(b) The district may acquire water appropriation permits directly from the Texas Commission on Environmental Quality or from permit owners.

(c) The district may purchase water or a water supply from any person.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.152. CONSTRUCTION OR ACQUISITION OF PROPERTY. The district may construct or otherwise acquire all works, plants, and other facilities necessary or useful for the purpose of processing groundwater or surface water and transporting the water to any person for municipal, domestic, and industrial purposes.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.153. EMINENT DOMAIN. (a) To carry out a power provided by this chapter, the district may exercise the power of eminent domain to acquire land and easements inside or outside the district in Haskell County.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The board shall determine the amount and the type of interest in land and easements to be acquired under this section.

(d) The district's authority under this section to exercise the power of eminent domain expired on September 1, 2013, unless the district submitted a letter to the comptroller in accordance with Section 2206.101(b), Government Code, not later than December 31, 2012.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.154. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes
necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.155. CONSTRUCTION AND PURCHASING CONTRACTS. A construction contract or contract for the purchase of materials, equipment, or supplies is governed by Chapter 49 or 51, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.156. CONTRACTS RELATED TO WATER SUPPLY AND FACILITIES. (a) The district may contract with any person to supply water to the person.

(b) The district may contract with a municipality for the rental or leasing of or for the operation of the municipality's water production, supply, or distribution facilities.

(c) The contract may provide that the contract continues in effect until bonds specified in the contract and refunding bonds issued in lieu of the bonds are paid.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 6913.201. DEPOSITORY. (a) Except as provided by Subsection (i), the board shall designate one or more banks in Haskell County to serve as depository for the district's money.

(b) District money shall be deposited with a designated depository bank or banks, except that:

(1) money pledged to pay bonds may be deposited with the trustee bank named in the trust agreement; and

(2) money shall be remitted to the bank of payment for the
payment of principal of and interest on bonds.

(c) To the extent that money in a depository bank or a trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) The board shall prescribe the terms of service for depositories.

(e) Before designating a depository bank, the board shall issue a notice to each bank in Haskell County that:
   (1) states the time and place at which the board will meet to designate a depository bank or banks; and
   (2) invites the banks to submit an application to be designated as a depository.

(f) The notice described by Subsection (e) must be mailed or delivered not later than the 10th day before the date fixed for the submission of applications.

(g) At the time stated in the notice, the board shall:
   (1) consider the application and the management and condition of each bank that applies; and
   (2) designate as a depository the bank or banks that:
      (A) offer the most favorable terms for handling the money; and
      (B) the board finds have proper management and are in condition to handle the money.

(h) Membership on the board of an officer or director of a bank does not disqualify the bank from being designated as a depository.

(i) If the board does not receive any applications before the time stated in the notice, or if the board rejects all applications, the board shall designate one or more banks located inside or outside the county on terms that the board finds advantageous to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.202. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION.
The district is not required to pay a tax or assessment on a project or any part of a project.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02,
Sec. 6913.203. TAX ASSESSOR AND COLLECTOR. Before the sale and delivery of district bonds payable wholly or partly from ad valorem taxes, the board shall appoint a tax assessor and collector.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

SUBCHAPTER F. BONDS

Sec. 6913.251. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds to carry out any power conferred by this chapter, including the power to provide a source of water supply for any person for municipal, domestic, or industrial purposes.

(b) The bonds must be authorized by a board resolution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.252. FORM OF BONDS. District bonds must be:

(1) issued in the district's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.253. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.254. BONDS PAYABLE FROM REVENUE. (a) In this section, "net revenue" means the district's gross revenue, other than taxation, minus the amount necessary to pay the cost of maintaining
and operating the district and its property.

(b) District bonds may be secured as described by a board resolution by a pledge of:

(1) all or part of the district's net revenue;
(2) the net revenue of a contract made at any time; or
(3) other revenue specified by board resolution.

(c) The pledge may reserve the right to issue additional bonds on a parity with or subordinate to the bonds being issued, subject to conditions specified by the pledge.

(d) District bonds not payable wholly or partly from ad valorem taxes may be issued without an election.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.255. BONDS PAYABLE FROM AD VALOREM TAXES. The district may issue bonds:

(1) payable from ad valorem taxes imposed on taxable property in the district; or
(2) secured by and payable from:
   (A) taxes described by Subdivision (1); and
   (B) revenue of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.256. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) District bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a district election at which a majority of the votes cast favor the bond issuance.

(b) The board may order an election under this section without a petition. The order must specify:

(1) the time and places at which the election will be held;
(2) the purpose for which the bonds will be issued;
(3) the maximum amount of the bonds;
(4) the maximum maturity of the bonds;
(5) the form of the ballot; and
(6) the presiding judge for each voting place.
(c) Notice of the election must be given by publishing a substantial copy of the order calling the election in a newspaper published in Haskell County that is circulated in the district for two consecutive weeks. The first publication must be not later than the 15th day before the date of the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.257. TAX AND COMPENSATION RATES. (a) If the district issues bonds payable wholly or partly from ad valorem taxes, the district shall impose a tax sufficient to pay the bonds and the interest on the bonds as the bonds and interest become due. The board may adopt the rate of the tax for any year after considering the money received from pledged revenue available for payment of principal and interest to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.

(b) If the district issues bonds payable wholly or partly from revenue, the board shall set and revise the rates of compensation for water sold and services rendered by the district.

(c) For bonds payable wholly from revenue, the rates of compensation must be sufficient to:

(1) pay the expense of operating and maintaining the facilities of the district;

(2) pay the bonds as they mature and the interest as it accrues; and

(3) maintain the reserve and other funds as provided by the resolution authorizing the issuance of the bonds.

(d) For bonds payable partly from revenue, the rates of compensation must be sufficient to assure compliance with the resolution authorizing the issuance of the bonds.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.258. ADDITIONAL SECURITY. (a) District bonds, including refunding bonds, that are not payable wholly from ad valorem taxes may be additionally secured by a deed of trust lien on physical property of the district and all franchises, easements,
water rights and appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee power to:

(1) sell the property for payment of the debt;
(2) operate the property; and
(3) take other action to further secure the bonds.

(b) The deed of trust may:

(1) contain any provision the board prescribes to secure the bonds and preserve the trust estate;
(2) provide for amendment or modification of the deed of trust; and
(3) provide for the issuance of bonds to replace lost or mutilated bonds.

(c) A purchaser under a sale under the deed of trust is:

(1) the owner of the dam or dams and the other property and facilities purchased; and
(2) entitled to maintain and operate the property and facilities.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.259. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of district bonds for the payment of interest expected to accrue during construction and for one year after construction in a reserve interest and sinking fund. The resolution authorizing the bonds may provide for setting aside and using the proceeds as provided by this subsection.

(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purposes of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.260. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of principal of or interest on district bonds that are payable wholly or partly from revenue, a court may appoint a receiver for the district on petition of the holders of 25 percent of the outstanding bonds of the issue in
default or threatened with default.

(b) The receiver may collect and receive all district income except taxes, employ and discharge district agents and employees, take charge of money on hand, except money received from taxes unless commingled, and manage the district's proprietary affairs without the consent of or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or to renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

Sec. 6913.261. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding district bonds and interest on those bonds.

(b) Refunding bonds may:

(1) be issued to refund bonds of more than one series;

(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or

(3) be secured by a pledge of other or additional revenue.

(c) The provisions of this subchapter regarding the issuance of other bonds and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.
Sec. 6913.262. BONDS EXEMPT FROM TAXATION. District bonds, the transfer of district bonds, and income from district bonds, including profits made on the sale of district bonds, are exempt from taxation in this state.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.02, eff. April 1, 2019.

CHAPTER 6914. PETTUS MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6914.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of supervisors of the district.
(2) "District" means the Pettus Municipal Utility District.
(3) "Supervisor" means a member of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6914.002. NATURE OF DISTRICT. The district is:

(1) a conservation and reclamation district in Bee County under Section 59, Article XVI, Texas Constitution;
(2) a fresh water supply district; and
(3) a municipal corporation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6914.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the creation of the district and the improvements that the district will purchase, construct, or otherwise acquire.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02,
Sec. 6914.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 38, Acts of the 57th Legislature, 3rd Called Session, 1962, as that territory may have been modified under:

(1) Subchapter G, Chapter 53, Water Code, before September 1, 1995;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF SUPERVISORS

Sec. 6914.051. COMPOSITION OF BOARD. The board consists of five elected supervisors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 6914.101. GENERAL POWERS AND DUTIES. The district has all the rights, powers, privileges, and duties provided by general law applicable to a fresh water supply district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 53, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6914.102. ACQUISITION OF IMPROVEMENTS. (a) The district may make, construct, or otherwise acquire improvements inside or outside the district but wholly in Bee County, that are necessary to carry out a power granted to the district under this chapter or a general law described by Section 6914.101.

(b) Before awarding a contract for the construction of an
improvement, the district must submit a plan and specifications for
the improvement to the Texas Commission on Environmental Quality for
approval. Any substantial change made to the plan after submission
must also be submitted to the commission for approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6914.103. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6914.104. ADDITION OF TERRITORY TO DISTRICT. (a) The district may be composed of noncontiguous territory.

(b) In addition to adding land as provided by Subchapter J, Chapter 49, Water Code, the district may add land as provided by this section. Land added to the district need not be contiguous to the district.

(c) The owner of land may request by petition that the board include the land in the district.

(d) A petition under Subsection (c) must be filed with the board and describe the land to be added to the district. The description may be by metes and bounds or by lot and block number. The petition must be signed and executed in the manner provided by law for the conveyance of real estate.

(e) The board shall hear and consider a petition filed under
this section. The board may grant the petition and add the land to the district if the board considers the addition to be to the advantage of the district.

(f) A petition granted under this section shall be filed and recorded in the office of the Bee County Clerk.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 6914.151. DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board shall appoint a tax assessor-collector for the district for a term not to exceed the term of office of the supervisors making the appointment.

(b) The district's tax assessor-collector is not required to be a resident or voter of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

CHAPTER 6915. PORT MANSFIELD PUBLIC UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6915.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of supervisors of the district.

(2) "District" means the Port Mansfield Public Utility District.

(3) "Supervisor" means a member of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6915.002. NATURE OF DISTRICT. The district is:

(1) a conservation and reclamation district in Willacy County under Section 59, Article XVI, Texas Constitution;

(2) a fresh water supply district; and

(3) a municipal corporation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02,
Sec. 6915.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit. (b) All land and other property included in the district will benefit from the creation of the district and the improvements that the district will purchase, construct, or otherwise acquire. (c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6915.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 4, Acts of the 58th Legislature, Regular Session, 1963, as that territory may have been modified under: (1) Subchapter G, Chapter 53, Water Code, before September 1, 1995; (2) Subchapter J, Chapter 49, Water Code; or (3) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 6915.051. COMPOSITION OF BOARD. (a) The board consists of five supervisors, appointed by the board of navigation and canal commissioners of the Willacy County Navigation District, and the port director of the Willacy County Navigation District. (b) The port director of the Willacy County Navigation District: (1) serves as an ex officio member of the board; (2) does not have voting rights at board meetings; and (3) is not counted for purposes of establishing a quorum.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.
Sec. 6915.052. TERMS. Supervisors serve staggered two-year terms, with the terms of three supervisors expiring on January 15 of each odd-numbered year and the terms of two supervisors expiring on January 15 of each even-numbered year.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6915.053. QUALIFICATIONS FOR OFFICE. A supervisor must be a resident of Willacy County. A supervisor is not required to reside in or own land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6915.054. EMPLOYEES. The board shall employ all necessary employees for the proper handling and operation of the district, and may employ a general manager, attorney, bookkeeper, and engineer and assistants and laborers as may be required, on the terms and for the compensation set by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 6915.101. GENERAL POWERS AND DUTIES. The district has all the rights, powers, privileges, and duties provided by general law applicable to a fresh water supply district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 53, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6915.102. ACQUISITION OF IMPROVEMENTS. The district may
make, construct, or otherwise acquire improvements inside or outside the district that are necessary to carry out a power granted to the district under this chapter or a general law described by Section 6915.101.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6915.103. LIMIT ON EMINENT DOMAIN POWER. Notwithstanding any other provision of this chapter, the district may not exercise the power of eminent domain outside Willacy County.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6915.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility. (b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6915.105. DURATION OF CONTRACT FOR WATER PURCHASE OR SALE. A district contract for the purchase or sale of water may not exceed 40 years.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.
Sec. 6915.106. ADDITION OF TERRITORY TO DISTRICT. (a) In addition to the procedures provided by Subchapter J, Chapter 49, Water Code, the district may add land that is contiguous to the district as provided by this section.

(b) The owner or owners of land may request by petition that the board include the land in the district.

(c) A petition under Subsection (b) must be filed with the board and describe the land to be added to the district. The description may be by metes and bounds or by lot and block number. The petition must be signed and executed in the manner provided by law for the conveyance of real estate.

(d) The board shall hear and consider a petition filed under this section. The board may grant the petition and add the land to the district if the board considers the addition to be to the advantage of the district.

(e) A petition granted under this section shall be filed and recorded in the deed records of Willacy County.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 6915.151. AUTHORIZATION OF CERTAIN DISTRICT OBLIGATIONS. It is not necessary to have an election to authorize a district obligation that is payable from any source other than ad valorem taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.

Sec. 6915.152. DISTRICT TAX ASSESSOR-COLLECTOR. The tax assessor-collector for Willacy County is, ex officio, the tax assessor-collector for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.02, eff. April 1, 2017.
CHAPTER 6916. KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-A

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6916.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Kaufman County Fresh Water Supply District No. 1-A.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff. June 15, 2017.

Sec. 6916.002. NATURE OF DISTRICT. The district is a fresh water supply district created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff. June 15, 2017.

Sec. 6916.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.
(c) The creation of the district is in the public interest and is essential to further the public purposes of:
(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment; and
(3) developing or expanding transportation and commerce.
(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff. June 15, 2017.

Sec. 6916.004. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, the following laws apply to the district:

(1) Chapters 49, 51, and 53, Water Code;
(2) Chapters 372 and 375, Local Government Code; and
(3) Chapter 257, Transportation Code, and other general laws applicable to road districts created under Section 52, Article III, Texas Constitution, to the extent those provisions can apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff. June 15, 2017.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 6916.051. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, concreted, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff. June 15, 2017.

Sec. 6916.052. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in
whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff. June 15, 2017.

Sec. 6916.053. JOINT ROAD PROJECTS. (a) A district may contract with a state agency, political subdivision, or corporation created under Chapter 431, Transportation Code, for a joint road project.

(b) The contract may:

(1) provide for joint payment of project costs; and

(2) require the state agency, political subdivision, or corporation to design, construct, or improve a project, including landscaping, as provided by the contract.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff. June 15, 2017.

Sec. 6916.054. EXEMPTION FROM CERTAIN SUPERVISION AND APPROVAL REQUIREMENTS. (a) The district may reimburse expenditures as provided by Sections 257.003(a) and (b), Transportation Code, without the approval required by Section 257.003(c), Transportation Code.

(b) The district may reimburse expenditures for a project constructed or acquired under Section 6916.051 or 6916.053 without the approval required by Section 49.107(f), Water Code.

(c) Sections 49.181 and 49.182, Water Code, and Section 375.208, Local Government Code, do not apply to:

(1) a project authorized by Section 6916.051 or 6916.053;

(2) bonds issued for a project described by Subdivision (1); or
bonds issued under Chapter 372, Local Government Code, as authorized by Section 6916.151(b).

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff. June 15, 2017.

Sec. 6916.055. ROAD CONTRACTS. The district may enter into a contract for a road project in the same manner as a road district under Chapter 257, Transportation Code, except that competitive bidding for a road project contract is governed by Subchapter I, Chapter 49, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff. June 15, 2017.

Sec. 6916.056. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the boundaries of the district as the boundaries exist on the effective date of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) An order dividing the district must:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(f) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with
the Texas Commission on Environmental Quality and record the order in
the real property records of each county in which the district is
located.

(g) Any new district created by the division of the district shall hold a confirmation and directors' election as required by
Chapter 49, Water Code.

(h) If the creation of the new district is confirmed, the new
district shall provide the election date and results to the Texas
Commission on Environmental Quality.

(i) Any new district created by the division of the district
must hold an election as required by this chapter to obtain voter
approval before the district may impose a maintenance tax or issue
bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 6916.101. ASSESSMENTS. (a) The district may impose an
assessment on property in the district to pay for an improvement
project or an obligation described by Section 6916.151 in the manner
provided for:

(1) a district under Subchapters A, E, and F, Chapter 375,
Local Government Code; or

(2) a municipality or county under Subchapter A, Chapter

(b) The district may impose an assessment for any district
operation and maintenance or authorized improvement or supplemental
service, including public safety services, in the manner provided
for:

(1) a district under Subchapters A, E, and F, Chapter 375,
Local Government Code; or

(2) a municipality or county under Subchapter A, Chapter

(c) The district may not impose an assessment on a
municipality, county, or other political subdivision.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff.
Sec. 6916.102. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff. June 15, 2017.

SUBCHAPTER D. BONDS

Sec. 6916.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) Subject to Subsections (e) and (f), the district may issue bonds or other obligations to finance the construction, maintenance, or operation of road projects authorized by Section 6916.051 or 6916.053.

(b) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from assessments in the manner provided by:

(1) Subchapter J, Chapter 375, Local Government Code; or

(2) Subchapter A, Chapter 372, Local Government Code, if an improvement project financed by an obligation issued under this subsection will be conveyed to or operated and maintained by a municipality or retail utility provider under an agreement between the district and the municipality or retail utility provider entered into before the issuance of the obligation.

(c) The district may issue by competitive bidding or negotiated sale bonds or other obligations, payable wholly or partly from any available revenue of the district, to pay for an improvement project.

(d) The district may issue by competitive bidding or negotiated sale bonds or other obligations, payable wholly or partly from any available revenue of the district or contract revenue from another district that is secured by ad valorem taxes imposed by or other revenue from the other district, to pay for a joint utility or road project.

(e) The district may not issue bonds or other obligations payable wholly or partly from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(f) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth
of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 779 (H.B. 1207), Sec. 1, eff. June 15, 2017.

CHAPTER 6917. KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-D
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6917.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Kaufman County Fresh Water Supply District No. 1-D.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

Sec. 6917.002. NATURE OF DISTRICT. The district is a fresh water supply district created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

Sec. 6917.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.
(c) The creation of the district is in the public interest and is essential to further the public purposes of:
   (1) developing and diversifying the economy of the state;
   (2) eliminating unemployment and underemployment; and
   (3) developing or expanding transportation and commerce.
(d) The district will:
   (1) promote the health, safety, and general welfare of
residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

Sec. 6917.004. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, the following laws apply to the district:
(1) Chapters 49, 51, and 53, Water Code;
(2) Chapters 372 and 375, Local Government Code; and
(3) Chapter 257, Transportation Code, and other general laws applicable to road districts created under Section 52, Article III, Texas Constitution, to the extent those provisions can apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 6917.051. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, concreted, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff.
Sec. 6917.052. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

Sec. 6917.053. JOINT ROAD PROJECTS. (a) A district may contract with a state agency, political subdivision, or corporation created under Chapter 431, Transportation Code, for a joint road project.

(b) The contract may:

(1) provide for joint payment of project costs; and

(2) require the state agency, political subdivision, or corporation to design, construct, or improve a project, including landscaping, as provided by the contract.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

Sec. 6917.054. EXEMPTION FROM CERTAIN SUPERVISION AND APPROVAL REQUIREMENTS. (a) The district may reimburse expenditures as provided by Sections 257.003(a) and (b), Transportation Code, without the approval required by Section 257.003(c), Transportation Code.

(b) The district may reimburse expenditures for a project constructed or acquired under Section 6917.051 or 6917.053 without
the approval required by Section 49.107(f), Water Code.

(c) Sections 49.181 and 49.182, Water Code, and Section 375.208, Local Government Code, do not apply to:
   (1) a project authorized by Section 6917.051 or 6917.053;
   (2) bonds issued for a project described by Subdivision (1); or
   (3) bonds issued under Chapter 372, Local Government Code, as authorized by Section 6917.151(b).

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

Sec. 6917.055. ROAD CONTRACTS. The district may enter into a contract for a road project in the same manner as a road district under Chapter 257, Transportation Code, except that competitive bidding for a road project contract is governed by Subchapter I, Chapter 49, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

Sec. 6917.056. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:
   (1) has no outstanding bonded debt; and
   (2) is not imposing ad valorem taxes.

   (b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

   (c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the boundaries of the district as the boundaries exist on the effective date of the Act enacting this chapter.

   (d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

   (e) An order dividing the district must:
      (1) name each new district;
      (2) include the metes and bounds description of the
territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.
(f) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.
(g) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Chapter 49, Water Code.
(h) If the creation of the new district is confirmed, the new district shall provide the election date and results to the Texas Commission on Environmental Quality.
(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

**SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS**

Sec. 6917.101. ASSESSMENTS. (a) The district may impose an assessment on property in the district to pay for an improvement project or an obligation described by Section 6917.151 in the manner provided for:
(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or
(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.
(b) The district may impose an assessment for any district operation and maintenance or authorized improvement or supplemental service, including public safety services, in the manner provided for:
(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or
(2) a municipality or county under Subchapter A, Chapter

(c) The district may not impose an assessment on a municipality, county, or other political subdivision.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

Sec. 6917.102. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

SUBCHAPTER D. BONDS

Sec. 6917.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Subject to Subsections (e) and (f), the district may issue bonds or other obligations to finance the construction, maintenance, or operation of road projects authorized by Section 6917.051 or 6917.053.

(b) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from assessments in the manner provided by:

(1) Subchapter J, Chapter 375, Local Government Code; or

(2) Subchapter A, Chapter 372, Local Government Code, if an improvement project financed by an obligation issued under this subsection will be conveyed to or operated and maintained by a municipality or retail utility provider under an agreement between the district and the municipality or retail utility provider entered into before the issuance of the obligation.

(c) The district may issue by competitive bidding or negotiated sale bonds or other obligations, payable wholly or partly from any available revenue of the district, to pay for an improvement project.

(d) The district may issue by competitive bidding or negotiated sale bonds or other obligations, payable wholly or partly from any available revenue of the district or contract revenue from another district that is secured by ad valorem taxes imposed by or other revenue from the other district, to pay for a joint utility or road project.

(e) The district may not issue bonds or other obligations
payable wholly or partly from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(f) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 780 (H.B. 1208), Sec. 1, eff. June 15, 2017.

CHAPTER 6918. ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1; TERRITORY

Sec. 6918.001. DEFINITION. In this chapter, "district" means the Angelina County Fresh Water Supply District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 670 (S.B. 2282), Sec. 2, eff. June 12, 2017.

Sec. 6918.002. ADDITIONAL TERRITORY. On the effective date of the Act enacting this chapter, the territory of the former Angelina County Water Control and Improvement District No. 3, as that territory existed on April 1, 2017, is added to the territory of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 670 (S.B. 2282), Sec. 2, eff. June 12, 2017.

SUBTITLE C. SPECIAL UTILITY DISTRICTS

CHAPTER 7201. AGUA SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7201.001. DEFINITIONS. Unless the context otherwise requires, in this chapter:

(1) "Board" means the board of directors of the district.

(2) "Corporation" means the La Joya Water Supply Corporation.

(3) "Director" means a member of the board.
(4) "District" means the Agua Special Utility District.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.
Amended by:
   Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 9.02, eff. June 16, 2007.

Sec. 7201.002. NATURE OF CORPORATION AND DISTRICT. (a) The corporation is a water supply corporation in Hidalgo and Starr Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution, and operating in accordance with Chapter 67, Water Code.

(b) The district is:
   (1) a special utility district in Hidalgo and Starr Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution, and operating in accordance with Chapters 49 and 65, Water Code;
   (2) a retail public utility as defined by Section 13.002, Water Code; and
   (3) the successor in interest to the corporation.

(c) The corporation shall be dissolved and succeeded without interruption by the district as provided by Subchapter A1.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.
Amended by:
   Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 9.03, eff. June 16, 2007.

Sec. 7201.003. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 65, Water Code, including Sections 49.211(a) and 65.201(a), Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.

Sec. 7201.004. REGULATORY CONFLICTS. (a) If a municipality
asserts regulatory authority over any geographic area in the district and a municipal regulation applicable to that geographic area conflicts with a rule of the district, the regulation of the municipality prevails.

(b) This section does not apply to:

(1) rules or regulations concerning potable water quality standards; or

(2) conflicts relating to service areas or certificates issued to the corporation or district by the Public Utility Commission of Texas or the Texas Commission on Environmental Quality.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 170 (H.B. 1600), Sec. 2.88, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 171 (S.B. 567), Sec. 88, eff. September 1, 2013.

Sec. 7201.005. INITIAL DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 9.12 of the Act enacted by the 80th Legislature, Regular Session, 2007, amending this subsection.

(b) The boundaries and field notes contained in Section 9.12 of the Act enacted by the 80th Legislature, Regular Session, 2007, amending this subsection form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to issue bonds; or

(3) the legality or operation of the district.

(c) District boundaries may be modified in accordance with Chapters 13 and 49, Water Code, except that the boundaries must include all territory in any area included under a certificate of convenience and necessity issued by the Public Utility Commission of Texas or the Texas Commission on Environmental Quality to the district.

(d) The territory of the district does not include and the
district does not have jurisdiction over land that has never been in
the service area of the corporation regardless of any erroneous
inclusion of that land in the boundaries and field notes in Section
9.12 of the Act enacted by the 80th Legislature, Regular Session,
2007, amending this section.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff.
September 1, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 9.04, eff.
Acts 2013, 83rd Leg., R.S., Ch. 170 (H.B. 1600), Sec. 2.89, eff.
September 1, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 171 (S.B. 567), Sec. 89, eff.
September 1, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

The following section was amended by the 86th Legislature. Pending
publication of the current statutes, see S.B. 2552, 86th Legislature,
Regular Session, for amendments affecting the following section.
Sec. 7201.051. APPOINTMENT OF INITIAL DIRECTORS. (a) As soon
as practicable after the effective date of the Act enacted by the
80th Legislature, Regular Session, 2007, amending this section, seven
initial directors shall be appointed as provided by this section.
(b) To be eligible to be appointed as an initial director, an
individual must meet the same requirements as a candidate for an
elected position as director under Section 7201.052. The initial
directors shall be appointed as follows:
(1) one director to represent the residents of the district
in the City of Mission appointed by the governing body of that city;
(2) one director to represent the residents of the district
in the City of Palmview appointed by the governing body of that city;
(3) one director to represent the residents of the district
in the City of Penitas appointed by the governing body of that city;
(4) one director to represent the residents of the district
in the City of Sullivan City appointed by the governing body of that
city; and
(5) three directors to represent the residents of the
district outside the municipalities listed in Subdivisions (1)-(4)
appointed by the Hidalgo County Commissioners Court.

(c) An initial director serves a term that expires on June 1 of the year in which the director's successor is elected under Section 7201.052.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 9.07, eff. June 16, 2007.

Sec. 7201.0512. INITIAL BOARD TRAINING. (a) Not later than the 60th day after the first date on which all of the initial directors have been appointed, each initial director shall complete at least 12 hours of training on district management and compliance with laws applicable to the district as determined by the receiver for the corporation.

(b) The district shall reimburse an initial director for the reasonable expenses incurred by the director in attending the training.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 9.08, eff. June 16, 2007.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 2552, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7201.0513. EDUCATION PROGRAM. (a) Before the first election of directors under Section 7201.052, the initial board shall establish a program of education for directors that includes information on:

(1) the history of the district;
(2) the district's enabling legislation;
(3) Chapters 49 and 65, Water Code, and other laws that apply to the district, including the requirements of the:
   (A) open meetings law, Chapter 551, Government Code;
   (B) public information law, Chapter 552, Government
Code;

(4) relevant legal developments related to water district governance;

(5) the duties and responsibilities of the board;

(6) the requirements of conflict of interest laws and other laws relating to public officials; and

(7) any applicable ethics policies adopted by the Texas Commission on Environmental Quality or the Texas Ethics Commission.

(b) The district shall pay any costs associated with the development of the education program from district revenue.

(c) The education program may include training provided by an organization offering courses that have been approved by the Texas Commission on Environmental Quality.

(d) The board may adopt bylaws modifying the education program as necessary to meet district needs.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 9.08, eff. June 16, 2007.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 2552, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7201.052. BOARD OF DIRECTORS. (a) Except as provided by Subsection (l), the district shall be governed by a board of seven directors, elected as follows:

(1) one director elected by the voters of the part of the City of Mission inside the district to represent that part of the city;

(2) one director elected by the voters of the City of Palmview to represent that city;

(3) one director elected by the voters of the City of Penitas to represent that city;

(4) one director elected by the voters of the City of Sullivan City to represent that city;

(5) one director elected by the voters of the part of the City of La Joya within the district to represent that part of the city; and

(6) two directors elected at-large to numbered positions on the board by the district voters who do not reside in any of the
municipalities listed in Subdivisions (1)–(5) to represent the part
of the district that is not included in those municipalities, unless
the number of at-large directors is increased under Subsection (1).

(b) A candidate for one of the numbered director positions:
   (1) must reside in the part of the service area of the
district that is not included in any of the municipalities listed in
Subsections (a)(1)–(5); and
   (2) must be eligible to hold office under Section 141.001,
   Election Code.

(c) A candidate for one of the director positions representing
a municipality listed in Subsection (a)(1), (2), (3), (4), or (5):
   (1) must reside in the municipality the candidate seeks to
   represent; and
   (2) must be eligible to hold office under Section 141.001,
   Election Code.

(d) It is the policy of the district that the directors shall
represent and reside in as broad a cross-section of the geographic
area of the district as possible.

(e) The district shall fill a vacancy on the board in
   accordance with Section 49.105, Water Code.

(f) Except for the initial directors appointed under Section
    7201.051 or elected at the first election under Subsection (g),
    directors serve staggered terms of four years.

(g) On the uniform election date in May 2008, or in May 2010,
    if the election is postponed under Subsection (h), the district shall
    hold an election to elect seven directors. On the uniform election
date in May of each even-numbered year after that date, the district
shall hold an election to elect the appropriate number of directors.

(h) The initial board by order may postpone until the uniform
    election date in May 2010 the first election for directors under
Subsection (g) if the initial board determines that there is not
sufficient time to comply with the requirements of law and to order
the election of directors to be held on the first uniform election
date specified by that subsection.

(i) The directors elected at the first election under
   Subsection (g) shall cast lots to determine which three directors
   shall serve terms expiring June 1 of the first even-numbered year
after the year in which the directors are elected and which four
directors shall serve terms expiring June 1 of the second even-
numbered year after the year in which the directors are elected.
(j) A director may not serve more than two consecutive terms. An initial appointment under Section 7201.051 constitutes one term.

(k) A person who has served as a member of the board of directors of the corporation is not eligible to serve as a district director.

(k-1) A person who was appointed as an initial director under Section 7201.051 is eligible to serve as an elected director.

(l) If, before the expiration of the term of a director elected to represent a municipality under Subsection (a)(1), (2), (3), (4), or (5), the district determines that all of the incorporated territory of the municipality is outside the boundaries of the district, the position immediately becomes an at-large numbered position to be filled at the next general election of the district in accordance with Subsections (a)(6) and (b).

(m) If a director is an employee of another taxing entity within the district, the board may not employ as an employee, as a consultant, or on a contract basis:

(1) an elected official of the other taxing entity that employs the director; or

(2) a person related to that elected official in the third degree of consanguinity or affinity as determined under Chapter 573, Government Code.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.
Amended by:
 Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 9.09, eff. June 16, 2007.
 Acts 2011, 82nd Leg., R.S., Ch. 1263 (S.B. 1875), Sec. 1, eff. September 1, 2011.
 Acts 2017, 85th Leg., R.S., Ch. 450 (S.B. 814), Sec. 1, eff. September 1, 2017.

Sec. 7201.053. DISTRICT TREASURER. (a) The board shall elect from among its members one director to serve as district treasurer.

(b) The district treasurer shall comply with the training requirements provided by Section 49.1571, Water Code, for an investment officer of a district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 9.10,
Sec. 7201.054. EDUCATION FOR DIRECTORS. (a) Except for an initial director whose term expires in 2008, each director shall complete the education program established under Section 7201.0513 before the first anniversary of the date on which the director was appointed or elected.

(b) The district shall reimburse a director for the reasonable expenses incurred by the director in attending the education program.

(c) A director who is elected to serve a subsequent term shall fulfill the education requirements specified by district bylaws.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 9.10, eff. June 16, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7201.101. GENERAL POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 65, Water Code, applicable to districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.

Sec. 7201.102. PROVISION OF SERVICE. The district shall at all times operate and construct necessary improvements within the certificated areas established by the Public Utility Commission of Texas or the Texas Commission on Environmental Quality to provide uninterrupted, continuous, and adequate service to existing and future customers for water, sewer, and contract services.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 170 (H.B. 1600), Sec. 2.90, eff. September 1, 2013.
Sec. 7201.103. INTERLOCAL CONTRACTS. In accordance with Chapter 791, Government Code, the district and the Rio Grande Regional Water Authority may enter into a contract under which the Rio Grande Regional Water Authority may provide administrative or any other contract activities for or with the district. The district may enter into interlocal cooperation contracts with any public or private entity, request any necessary regulatory approval required, and charge fees and rates adequate to generate revenue sufficient to cover all expenses of the district based on cost-of-service principles. For purposes of Chapter 791, Government Code, performance under a contract is a governmental function or service.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.

SUBCHAPTER D. OPERATING PROVISIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 2552, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7201.201. AUDIT OF DISTRICT. (a) Subchapter G, Chapter 49, Water Code, applies to the district.

(b) An individual licensed by the state as a certified public accountant with not less than five years of government accounting experience shall perform the audit required by Section 49.191, Water Code.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.

Sec. 7201.202. RECORDS OF DISTRICT. The district shall comply with all rules and regulations pertaining to records preservation, retention, and destruction promulgated by the Texas State Library and Archives Commission under Chapter 441, Government Code, as made applicable to water districts and utilities.
Sec. 7201.203. MAINTAINING NECESSARY RECORDS. The district shall maintain necessary records and follow cost-of-service principles with respect to provision of retail public water or sewer service or any other service authorized by Chapter 49 or 65, Water Code, or an interlocal contract entered into in accordance with Chapter 791, Government Code.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 2552, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7201.204. NEWSLETTER, WEBSITE, AND ANNUAL FINANCIAL INFORMATION. The district shall maintain an Internet website with current information concerning agendas, minutes, policies, monthly financial information concerning revenues and expenses, and quarterly summaries. The district shall provide information, including summary financial information based on the preceding year's annual audit, to district customers at an annual meeting.

Sec. 7201.205. DISCONNECTION OF SERVICE AND CUSTOMER FEES. (a) The district may not disconnect service of a customer for late payment before the 11th day after the date the district notifies the customer of the overdue payment.

(b) After a disconnection caused by the customer's late payment, the district may not charge a customer a fee for restoring or reinstalling service that exceeds $25 or twice the amount of the late payment owed, whichever is less.
Sec. 7201.206. RATES AND FEES FOR SERVICES. (a) The district, in connection with water or sewer retail public utility services, shall establish lifeline, senior citizen, or minimum consumption level rates for services. The rate impact of such services shall be allocated on the basis of costs of services to achieve conservation principles, while securing necessary reserves for the payment of operating expenses, sinking funds, principal, interest, and debt coverage factors, and any other objective established by the district's annual budget.

(b) Chapter 395, Local Government Code, does not apply to any fee, charge, or assessment that, before the corporation's dissolution and conversion to a district, is adopted by the receiver for the purpose of generating revenue to fund or recoup the costs of capital improvements or facility expansions necessitated by and attributable to new developments.

(c) Notwithstanding Subsection (b), beginning on December 31, 2009, the district may not impose any fee, charge, or assessment that, before the corporation's dissolution and conversion to a district, is adopted by the receiver for the purpose of generating revenue to fund or recoup the costs of capital improvements or facility expansions necessitated by and attributable to new developments unless the district readopts the fee, charge, or assessment or adopts a new fee, charge, or assessment in accordance with Chapter 395, Local Government Code. This subsection does not apply to a retail water or sewer rate adopted by the receiver or the district.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.

Amended by:
Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 9.11, eff. June 16, 2007.
FROM CLAIMS. (a) In connection with intergovernmental, interlocal, or wholesale service contracts, including cooperative billing for any contract-based service, the district shall allocate costs of service ratably for the service, and the district shall secure indemnity from the contracting party to the extent allowed by law.

(b) The district is a governmental unit, as that term is defined by Section 101.001(3), Civil Practice and Remedies Code, and, to the fullest extent provided by law, enjoys immunity from suit and liability, consistent with general law, the Texas Tort Claims Act, Chapter 101, Civil Practice and Remedies Code, and Chapter 49, Water Code, including Section 49.066 of that code.

Added by Acts 2005, 79th Leg., Ch. 1057 (H.B. 1358), Sec. 2.01, eff. September 1, 2005.

For contingent expiration of this chapter, see Sec. 7202.003.

CHAPTER 7202. PARKER COUNTY SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7202.001. DEFINITION. In this chapter, "district" means the Parker County Special Utility District.

Added by Acts 2005, 79th Leg., Ch. 770 (H.B. 3525), Sec. 1, eff. June 17, 2005.

Added by Acts 2005, 79th Leg., Ch. 895 (S.B. 1826), Sec. 1, eff. June 17, 2005.

Text of section as added by Acts 2005, 79th Leg., R.S., Ch. 770 (H.B. 3525), Sec. 1

Sec. 7202.002. NATURE OF DISTRICT. The district is a special utility district in Parker and Palo Pinto Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 770 (H.B. 3525), Sec. 1, eff. June 17, 2005.

Text of section as added by Acts 2005, 79th Leg., R.S., Ch. 895 (S.B. 1826), Sec. 1, eff. July 18, 2005.
Sec. 7202.002. NATURE OF DISTRICT. The district is a special utility district in Parker County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 895 (S.B. 1826), Sec. 1, eff. June 17, 2005.

Sec. 7202.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2007:

(1) the district is dissolved on September 1, 2007, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Parker or Palo Pinto County as appropriate; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 770 (H.B. 3525), Sec. 1, eff. June 17, 2005.
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 895 (S.B. 1826), Sec. 1, eff. June 17, 2005.

Sec. 7202.004. APPLICABILITY OF OTHER SPECIAL UTILITY DISTRICT LAW. Except as otherwise provided by this chapter, Chapters 49 and 65, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 770 (H.B. 3525), Sec. 1, eff. June 17, 2005.
Added by Acts 2005, 79th Leg., Ch. 895 (S.B. 1826), Sec. 1, eff. June 17, 2005.

Sec. 7202.005. DISTRICT SUPERVISION. The rights, powers, privileges, authority, functions, and duties of the district are subject to the continuing right of supervision of the state to be exercised by and through the Texas Commission on Environmental Quality.

Added by Acts 2005, 79th Leg., Ch. 770 (H.B. 3525), Sec. 1, eff. June 17, 2005.
Added by Acts 2005, 79th Leg., Ch. 895 (S.B. 1826), Sec. 1, eff. June 17, 2005.

Sec. 7202.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to issue any type of bond,
including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on a bond; or

(3) the legality or operation of the district or the board of directors of the district.

Added by Acts 2005, 79th Leg., Ch. 770 (H.B. 3525), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7202.051. DIRECTORS: TERM OF OFFICE. (a) The district is governed by a board of not fewer than five and not more than 11 directors.

(b) A member of the board of directors of the district serves a three-year term of office and may serve consecutive terms.

Added by Acts 2005, 79th Leg., Ch. 770 (H.B. 3525), Sec. 1, eff. June 17, 2005.

Added by Acts 2005, 79th Leg., Ch. 895 (S.B. 1826), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7202.101. GENERAL POWERS. Except as otherwise provided by this subchapter, the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 65, Water Code, applicable to special utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 770 (H.B. 3525), Sec. 1, eff. June 17, 2005.

Added by Acts 2005, 79th Leg., Ch. 895 (S.B. 1826), Sec. 1, eff. June 17, 2005.

Sec. 7202.102. WATER SERVICE IMPACT FEE. (a) The district may charge a water service impact fee that is equal to the sum of the equity buy-in fee and connection fee charged by the Parker County Water Supply Corporation on November 1, 2004, under that corporation's tariff.
(b) Chapter 395, Local Government Code, does not apply to the initial water service impact fee set under this section.

(c) The district may increase the water service impact fee only as provided by Chapter 395, Local Government Code, or as approved by the Texas Commission on Environmental Quality.

Added by Acts 2005, 79th Leg., Ch. 770 (H.B. 3525), Sec. 1, eff. June 17, 2005.
Added by Acts 2005, 79th Leg., Ch. 895 (S.B. 1826), Sec. 1, eff. June 17, 2005.

Sec. 7202.103. EMINENT DOMAIN. (a) Except as provided by Subsection (b), the district has all the authority under Chapters 49 and 65, Water Code, of a special utility district to acquire by condemnation any land, easement, or other property located inside or outside the boundaries of the district for any district project or purpose.

(b) The district may not exercise the power of eminent domain to condemn, for sanitary sewer purposes, land, easements, or other property located outside the boundaries of the district.

Added by Acts 2005, 79th Leg., Ch. 770 (H.B. 3525), Sec. 1, eff. June 17, 2005.
Added by Acts 2005, 79th Leg., Ch. 895 (S.B. 1826), Sec. 1, eff. June 17, 2005.

CHAPTER 7203. EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7203.001. DEFINITIONS. In this chapter:

1. "Board" means the board of directors of the district.
2. "Director" means a member of the board.
3. "District" means the East Medina County Special Utility District.

Added by Acts 2005, 79th Leg., Ch. 453 (S.B. 1851), Sec. 1, eff. June 17, 2005.

Sec. 7203.002. DISTRICT TERRITORY. The district's boundaries
are coextensive with the boundaries of the territory that is described by certificate of convenience and necessity number 10217.

Added by Acts 2005, 79th Leg., Ch. 453 (S.B. 1851), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 7203.051. BOARD OF DIRECTORS. The board consists of seven directors.

Added by Acts 2005, 79th Leg., Ch. 453 (S.B. 1851), Sec. 1, eff. June 17, 2005.

For contingent expiration of this chapter, see Sec. 7204.003.

**CHAPTER 7204. ROSE HILL SPECIAL UTILITY DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 7204.001. DEFINITION. In this chapter, "district" means the Rose Hill Special Utility District.

Added by Acts 2005, 79th Leg., Ch. 1169 (H.B. 3498), Sec. 1, eff. June 18, 2005.
Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 4.01, eff. June 18, 2005.

Sec. 7204.002. NATURE OF DISTRICT. The district is a special utility district in Kaufman County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1169 (H.B. 3498), Sec. 1, eff. June 18, 2005.
Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 4.01, eff. June 18, 2005.

Sec. 7204.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2007:
(1) the district is dissolved on September 1, 2007, except that:
   (A) any debts of the district incurred shall be paid;
   (B) any assets of the district that remain after the payment of debts shall be transferred to Kaufman County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 1169 (H.B. 3498), Sec. 1, eff. June 18, 2005.
Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 4.01, eff. June 18, 2005.

Sec. 7204.004. APPLICABILITY OF OTHER SPECIAL UTILITY DISTRICT LAW. Except as otherwise provided by this chapter, Chapters 49 and 65, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 1169 (H.B. 3498), Sec. 1, eff. June 18, 2005.
Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 4.01, eff. June 18, 2005.

Sec. 7204.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
   (b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
      (1) the organization, existence, or validity of the district;
      (2) the right of the district to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on a bond; or
      (3) the legality or operation of the district or the board of directors of the district.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7204.051. DIRECTORS. The district is governed by a board of not fewer than five and not more than 11 directors.

Added by Acts 2005, 79th Leg., Ch. 1169 (H.B. 3498), Sec. 1, eff. June 18, 2005.
Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 4.01, eff. June 18, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7204.101. GENERAL POWERS. Except as otherwise provided by this subchapter, the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 65, Water Code, applicable to special utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1169 (H.B. 3498), Sec. 1, eff. June 18, 2005.
Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 4.01, eff. June 18, 2005.

Sec. 7204.102. WATER SERVICE IMPACT FEE. (a) The district may charge a water service impact fee that is equal to the sum of the equity buy-in fee, aids to construction fee, and connection fee charged by the Rose Hill Water Supply Corporation on January 15, 2005, under that corporation's tariff.

(b) Chapter 395, Local Government Code, does not apply to the initial water service impact fee set under this section.

(c) The district may increase the water service impact fee only as provided by Chapter 395, Local Government Code, or as approved by the Texas Commission on Environmental Quality.
Sec. 7204.103. EMINENT DOMAIN. (a) Except as provided by Subsection (b), the district has all the authority under Chapters 49 and 65, Water Code, of a special utility district to acquire by condemnation any land, easement, or other property located inside or outside the boundaries of the district for any district project or purpose.

(b) The district may not exercise the power of eminent domain to condemn, for sanitary sewer purposes, land, easements, or other property located outside the boundaries of the district.

For contingent expiration of this chapter, see Sec. 7205.003.

CHAPTER 7205. STEPHENS REGIONAL SPECIAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7205.001. DEFINITION. In this chapter, "district" means the Stephens Regional Special Utility District.

Sec. 7205.002. NATURE OF DISTRICT. The district is a special utility district in Stephens, Eastland, Palo Pinto, Shackelford, and Throckmorton Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 7205.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2007:

(1) the district is dissolved on September 1, 2007, except that:

(A) any debts of the district incurred shall be paid;
(B) any assets of the district that remain after the payment of debts shall be transferred to Stephens, Eastland, Palo Pinto, Shackelford, or Throckmorton County as appropriate; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 605 (H.B. 2079), Sec. 1, eff. June 17, 2005.

Sec. 7205.004. APPLICABILITY OF OTHER SPECIAL UTILITY DISTRICT LAW. Except as otherwise provided by this chapter, Chapters 49 and 65, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 605 (H.B. 2079), Sec. 1, eff. June 17, 2005.

Sec. 7205.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on a bond; or
(3) the legality or operation of the district or the board of directors of the district.
SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 7205.051. DIRECTORS. The district is governed by a board of not fewer than five and not more than 11 directors.

Added by Acts 2005, 79th Leg., Ch. 605 (H.B. 2079), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 7205.101. GENERAL POWERS. Except as otherwise provided by this subchapter, the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 65, Water Code, applicable to special utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 605 (H.B. 2079), Sec. 1, eff. June 17, 2005.

Sec. 7205.102. WATER SERVICE IMPACT FEE. (a) The district may charge a water service impact fee that is equal to the equity buy-in fee charged by the Stephens County Rural Water Supply Corporation on January 31, 2005, under that corporation's tariff.

(b) Chapter 395, Local Government Code, does not apply to the initial water service impact fee set under this section.

(c) The district may increase the water service impact fee only as provided by Chapter 395, Local Government Code, or as approved by the Texas Commission on Environmental Quality.

Added by Acts 2005, 79th Leg., Ch. 605 (H.B. 2079), Sec. 1, eff. June 17, 2005.

Sec. 7205.103. EMINENT DOMAIN. (a) Except as provided by Subsection (b), the district has all the power and authority of a special utility district under Chapters 49 and 65, Water Code, to
acquire by condemnation any land, easement, or other property located inside or outside the boundaries of the district for any district project or purpose.

(b) The district may not exercise the power of eminent domain to condemn land, easements, or other property located outside the boundaries of the district for sanitary sewer purposes.

Added by Acts 2005, 79th Leg., Ch. 605 (H.B. 2079), Sec. 1, eff. June 17, 2005.

For contingent expiration of this chapter, see Section 7206.003.

CHAPTER 7206. CRYSTAL CLEAR SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7206.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Corporation" means the Crystal Clear Water Supply Corporation.
(4) "Director" means a board member.
(5) "District" means the Crystal Clear Special Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1344 (S.B. 1116), Sec. 1, eff. June 14, 2013.

Sec. 7206.002. NATURE OF DISTRICT. The district is a special utility district in Comal, Guadalupe, and Hays Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1344 (S.B. 1116), Sec. 1, eff. June 14, 2013.

Sec. 7206.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2016:
(1) the district is dissolved on September 1, 2016, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Comal, Guadalupe, or Hays County, as appropriate, any assets of the district that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2017.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1344 (S.B. 1116), Sec. 1, eff. June 14, 2013.

Sec. 7206.004. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 65, Water Code, apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1344 (S.B. 1116), Sec. 1, eff. June 14, 2013.

Sec. 7206.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
   (1) the organization, existence, or validity of the district;
   (2) the right of the district to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on a bond; or
   (3) the legality or operation of the district or the board of directors of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1344 (S.B. 1116), Sec. 1, eff. June 14, 2013.
Sec. 7206.051. DIRECTORS. (a) The district shall be governed by a board of not fewer than 5 and not more than 11 directors, elected in accordance with Section 65.101, Water Code.

(b) The directors of the district serve staggered three-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1344 (S.B. 1116), Sec. 1, eff. June 14, 2013.

Sec. 7206.052. ELECTION OF DIRECTORS. After the district is confirmed under Section 7206.022, the district shall hold an election on the uniform election date in November of each year to elect the appropriate number of directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1344 (S.B. 1116), Sec. 1, eff. June 14, 2013.

Sec. 7206.101. GENERAL POWERS. (a) Except as otherwise provided by Subsection (b) and this chapter, the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 65, Water Code, applicable to special utility districts created under Section 59, Article XVI, Texas Constitution.

(b) Land included in the territory described by Section 4 of the Act creating this chapter may not be added to the district unless the landowner provides written consent.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1344 (S.B. 1116), Sec. 1, eff. June 14, 2013.

Sec. 7206.102. WATER SERVICE IMPACT FEE. (a) The district may charge a water service impact fee that is not greater than the capital recovery fee charged by the corporation on December 31, 2012, under the corporation’s tariff.

(b) Chapter 395, Local Government Code, does not apply to an initial water service impact fee set under Subsection (a).
(c) The district may increase the water service impact fee authorized under Subsection (a) only as provided by Chapter 395, Local Government Code, as approved by the commission, or as otherwise provided by law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1344 (S.B. 1116), Sec. 1, eff. June 14, 2013.

Sec. 7206.103. EMINENT DOMAIN. (a) Except as provided by Subsection (b), the district has all the power and authority of a special utility district under Chapters 49 and 65, Water Code, to acquire by condemnation any land, easement, or other property located inside or outside the boundaries of the district for any district project or purpose.

(b) The district may not exercise the power of eminent domain to condemn land, easements, or other property located outside the boundaries of the district for sanitary sewer purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1344 (S.B. 1116), Sec. 1, eff. June 14, 2013.

Sec. 7206.104. SERVICES TO BE PROVIDED BY DISTRICT OR CITY OF NEW BRAUNFELS. (a) A structure constructed by the district in the corporate limits or extraterritorial jurisdiction of the City of New Braunfels must comply with any applicable codes and ordinances of the city.

(b) The district may enter into an interlocal contract with the City of New Braunfels to provide governmental services, including drainage, solid waste, or fire protection services.

(c) The district may not provide solid waste collection services in the corporate limits of the City of New Braunfels unless the governing body of the city consents by resolution or ordinance.

(d) The district may not provide fire protection services in the corporate limits or extraterritorial jurisdiction of the City of New Braunfels unless the governing body of the city consents by resolution or ordinance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1344 (S.B. 1116), Sec. 1, eff. June 14, 2013.
CHAPTER 7207. TARKINGTON SPECIAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7207.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Tarkington Special Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.07, eff. April 1, 2009.

Sec. 7207.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Liberty County created under Section 59, Article XVI, Texas Constitution, as a special utility district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.07, eff. April 1, 2009.

Sec. 7207.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property in the district will benefit from the works and projects to be accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.07, eff. April 1, 2009.

Sec. 7207.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1321, Acts of the 76th Legislature, Regular Session, 1999, as that territory may have been modified under:
(1) Subchapter J, Chapter 49, Water Code;
(2) Subchapter H, Chapter 65, Water Code; or
The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

1. the district's organization, existence, or validity;
2. the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond; or
3. the legality or operation of the district or its board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.07, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7207.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of seven directors.

(b) Directors serve staggered terms of four years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.07, eff. April 1, 2009.

Sec. 7207.052. DIRECTORS' ELECTION. (a) An election shall be held in the district to elect the appropriate number of directors to the board on the uniform election date in May of each even-numbered year.

(b) The board may assign a position to each director's office. If positions are assigned, directors shall subsequently be elected by position and not at large.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.07, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7207.101. SPECIAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a special utility district created under Section 59, Article XVI, Texas Constitution, including those provided by Chapters 49 and 65, Water Code.
Sec. 7207.102. GENERAL CONTRACT POWERS. The district may contract for:

(1) purchasing or selling raw or treated water;
(2) transporting, treating, or disposing of the district's domestic, industrial, or communal waste;
(3) transporting, treating, or disposing of domestic, industrial, or communal waste of others as provided by Chapter 30, Water Code;
(4) purchasing, leasing, using, managing, controlling, or operating a water treatment or distribution facility or a sewer collection and treatment facility, including all or part of a facility or system owned by another political subdivision; or
(5) planning, surveying, investigating, or preparing a report of any kind.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.07, eff. April 1, 2009.

Sec. 7207.103. WATER RIGHTS. The district may acquire, develop, and use rights to groundwater or surface water.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.07, eff. April 1, 2009.

Sec. 7207.104. WATER OR SEWER SYSTEM ACQUISITION OR CONSTRUCTION. (a) In this section, "system" means a water system, sewer system, or water and sewer system.

(b) The district may:

(1) acquire a system that serves all or part of the territory located inside or outside the district;
(2) construct a system; or
(3) improve or extend a system the district acquires.

(c) A construction contract is governed by the competitive bidding requirements of the Water Code.

(d) An existing contract for the acquisition of a water or...
sewer facility may be made on terms agreed to by the parties.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.07, eff. April 1, 2009.

Sec. 7207.105. STANDARD SPECIFICATIONS FOR FACILITIES. (a) The district by rule may establish standard specifications for facilities designed or constructed to:

(1) store, treat, or transport water for domestic, municipal, or industrial purposes;

(2) collect, treat, and dispose of sewage; or

(3) dispose of solid waste.

(b) The board shall hold a public hearing on the adoption of standards for district facilities. The board shall give notice of the hearing to the Texas Commission on Environmental Quality and shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date set for the hearing.

(c) An appeal of an order adopting standard specifications may be made to a district court of Liberty County. The substantial evidence rule applies to the appeal.

(d) The district may seek an injunction against the construction of, addition to, or operation of a facility in the district's jurisdiction if the construction, addition, or operation does not comply with the district's standard specifications.

(e) A specification adopted under this section does not apply inside the boundaries or extraterritorial jurisdiction of a municipality unless the governing body of the municipality by resolution gives its approval.

(f) The district shall file the standard specifications with the Texas Commission on Environmental Quality.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.07, eff. April 1, 2009.

Sec. 7207.106. REVENUE BONDS. (a) The district may issue bonds to provide for improvements and the maintenance of those improvements necessary to achieve the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district shall provide for the payment of the bonds solely through revenue collected to pay the bonds as authorized by Chapter 65, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.07, eff. April 1, 2009.

CHAPTER 7209. MUSTANG SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7209.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board of directors of the district.
(3) "District" means the Mustang Special Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 791 (H.B. 4044), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7209.051. COMPOSITION OF BOARD. The district is governed by a board of nine directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 791 (H.B. 4044), Sec. 1, eff. September 1, 2007.

Sec. 7209.052. DIRECTOR ELIGIBILITY. To be eligible to be listed on the ballot as a candidate for or to serve as a director, a person must be:
(1) a resident of the district; and
(2) a retail water or sewer service customer of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 791 (H.B. 4044), Sec. 1, eff. September 1, 2007.

Sec. 7209.053. ELECTION OF DIRECTORS FROM SINGLE-MEMBER DISTRICTS. (a) The board by rule may provide for the election of
some or all of the directors from single-member districts.

(b) In addition to the qualifications required by Section 7209.052, if the board provides for the election of some or all of the directors from single-member districts, to be eligible to be listed on the ballot as a candidate for or to serve as a director from a single-member district, a person must be a resident of that district.

Added by Acts 2007, 80th Leg., R.S., Ch. 791 (H.B. 4044), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER C. BONDS**

Sec. 7209.101. AUTHORITY TO ISSUE BONDS. (a) The district has the rights, powers, duties, and obligations of an issuer under Chapter 1371, Government Code.

(b) Sections 49.181 and 49.182, Water Code, do not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 625 (S.B. 1873), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 3, eff. June 14, 2013.

For contingent expiration of this chapter, see Section 7210.003.

**CHAPTER 7210. FORT GRIFFIN SPECIAL UTILITY DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 7210.001. DEFINITION. In this chapter, "district" means the Fort Griffin Special Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 872 (H.B. 1573), Sec. 1, eff. June 15, 2007.

Sec. 7210.002. NATURE OF DISTRICT. The district is a special utility district in portions of Shackelford, Stephens, and Throckmorton Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.
Sec. 7210.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2009:
(1) the district is dissolved on September 1, 2009, except that:
(A) any debts of the district incurred shall be paid;
(B) any assets of the district that remain after the payment of debts shall be transferred to Shackelford, Stephens, and Throckmorton Counties as appropriate; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2012.

Sec. 7210.004. APPLICABILITY OF OTHER SPECIAL UTILITY DISTRICT LAW. Except as otherwise provided by this chapter, Chapters 49 and 65, Water Code, apply to the district.

Sec. 7210.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
(1) the organization, existence, or validity of the district;
(2) the right of the district to issue any type of bond, including a refunding bond, for a purpose for which the district is
created or to pay the principal of and interest on a bond; or

(3) the legality or operation of the district or the board of directors of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 872 (H.B. 1573), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 7210.051. DIRECTORS. The district is governed by a board of not fewer than five and not more than 11 directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 872 (H.B. 1573), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7210.101. GENERAL POWERS. Except as otherwise provided by this subchapter, the district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapters 49 and 65, Water Code, applicable to special utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 872 (H.B. 1573), Sec. 1, eff. June 15, 2007.

Sec. 7210.102. WATER SERVICE IMPACT FEE. (a) The district may charge a water service impact fee that is equal to the equity buy-in fee charged by the Shackelford Water Supply Corporation on December 31, 2006, under that corporation's tariff.

(b) Chapter 395, Local Government Code, does not apply to the initial water service impact fee set under this section.

(c) The district may increase the water service impact fee only as provided by Chapter 395, Local Government Code, or as approved by the Texas Commission on Environmental Quality.

Added by Acts 2007, 80th Leg., R.S., Ch. 872 (H.B. 1573), Sec. 1, eff. June 15, 2007.
For contingent expiration of this chapter, see Section 7211.003.

CHAPTER 7211. SAN JACINTO SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7211.001. DEFINITION. In this chapter, "district" means the San Jacinto Special Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 528 (S.B. 853), Sec. 1, eff. June 16, 2007.

Sec. 7211.002. NATURE OF DISTRICT. The district is a special utility district in San Jacinto County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 528 (S.B. 853), Sec. 1, eff. June 16, 2007.

Sec. 7211.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2009:

(1) the district is dissolved on September 1, 2009, except that:

(A) any debts of the district incurred shall be paid;
(B) any assets of the district that remain after the payment of debts shall be transferred to San Jacinto County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2007, 80th Leg., R.S., Ch. 528 (S.B. 853), Sec. 1, eff. June 16, 2007.

Sec. 7211.004. APPLICABILITY OF OTHER SPECIAL UTILITY DISTRICT LAW. Except as otherwise provided by this chapter, Chapters 49 and 65, Water Code, apply to the district.
Sec. 7211.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on a bond; or

(3) the legality or operation of the district or the board of directors of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 528 (S.B. 853), Sec. 1, eff. June 16, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7211.051. DIRECTORS. The district is governed by a board of not fewer than five and not more than 11 directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 528 (S.B. 853), Sec. 1, eff. June 16, 2007.

Sec. 7211.052. QUALIFICATIONS FOR DIRECTORS. Notwithstanding Section 65.102, Water Code, to be qualified to serve as a director, a person must be:

(1) at least 18 years old;

(2) a resident citizen of this state; and

(3) either a user of the district facilities or a qualified voter of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 528 (S.B. 853), Sec. 1, eff. June 16, 2007.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 7211.101. GENERAL POWERS. The district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapters 49 and 65, Water Code, applicable to special utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 528 (S.B. 853), Sec. 1, eff. June 16, 2007.

Sec. 7211.102. WATER SERVICE IMPACT FEE. (a) The district may charge a water service impact fee that is equal to the tap fee charged by the San Jacinto Water Supply Corporation on December 31, 2006, under that corporation's tariff.

(b) Chapter 395, Local Government Code, does not apply to the initial water service impact fee set under this section.

(c) The district may increase the water service impact fee only as provided by Chapter 395, Local Government Code, or as approved by the Texas Commission on Environmental Quality.

Added by Acts 2007, 80th Leg., R.S., Ch. 528 (S.B. 853), Sec. 1, eff. June 16, 2007.

Sec. 7211.103. LIMIT ON EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain to condemn, for sanitary sewer purposes, land, easements, or other property located outside the boundaries of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 528 (S.B. 853), Sec. 1, eff. June 16, 2007.

For contingent expiration of this chapter, See Section 7212.003.

CHAPTER 7212. GOFORTH SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7212.001. DEFINITION. In this chapter, "district" means the Goforth Special Utility District.
Sec. 7212.002. NATURE OF DISTRICT. The district is a special utility district in Caldwell, Hays, and Travis Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Sec. 7212.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2009:

(1) the district is dissolved on September 1, 2009, except that:

(A) any debts of the district incurred shall be paid;
(B) any assets of the district that remain after the payment of debts shall be transferred to Caldwell, Hays, or Travis County, as appropriate; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Sec. 7212.004. APPLICABILITY OF OTHER SPECIAL UTILITY DISTRICT LAW. Except as otherwise provided by this chapter, Chapters 49 and 65, Water Code, apply to the district.

Sec. 7212.005. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on a bond; or

(3) the legality or operation of the district or the board of directors of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 569 (S.B. 1661), Sec. 1, eff. June 16, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7212.051. DIRECTORS. The district is governed by a board of not fewer than five and not more than 11 directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 569 (S.B. 1661), Sec. 1, eff. June 16, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7212.101. GENERAL POWERS. Except as otherwise provided by this chapter, the district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapters 49 and 65, Water Code, applicable to special utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 569 (S.B. 1661), Sec. 1, eff. June 16, 2007.

Sec. 7212.102. WATER SERVICE IMPACT FEE. (a) The district may charge a water service impact fee that is not greater than the sum of the capital improvement fee and connection fee charged by the Goforth
Water Supply Corporation on December 31, 2006, under that corporation's tariff.

(b) Chapter 395, Local Government Code, does not apply to the initial water service impact fee set under this section.

(c) The district may increase the water service impact fee only as provided by Chapter 395, Local Government Code, or as approved by the Texas Commission on Environmental Quality.

Added by Acts 2007, 80th Leg., R.S., Ch. 569 (S.B. 1661), Sec. 1, eff. June 16, 2007.

For contingent expiration of this chapter, see Section 7213.003.

CHAPTER 7213. GASTONIA-SCURRY SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7213.001. DEFINITION. In this chapter, "district" means the Gastonia-Scurry Special Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 1000 (S.B. 1942), Sec. 1, eff. June 15, 2007.

Sec. 7213.002. NATURE OF DISTRICT. The district is a special utility district in Kaufman County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 1000 (S.B. 1942), Sec. 1, eff. June 15, 2007.

Sec. 7213.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2009:

(1) the district is dissolved on September 1, 2009, except that the district shall:

(A) pay any debts incurred;

(B) transfer to Kaufman County any assets of the district that remain after the payment of debts; and

(C) maintain the organization of the district until all
debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2012.

Added by Acts 2007, 80th Leg., R.S., Ch. 1000 (S.B. 1942), Sec. 1, eff. June 15, 2007.

Sec. 7213.004. APPLICABILITY OF OTHER SPECIAL UTILITY DISTRICT LAW. Except as otherwise provided by this chapter, Chapters 49 and 65, Water Code, apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1000 (S.B. 1942), Sec. 1, eff. June 15, 2007.

Sec. 7213.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
(1) the organization, existence, or validity of the district;
(2) the right of the district to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on a bond; or
(3) the legality or operation of the district or the board of directors of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1000 (S.B. 1942), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 7213.051. DIRECTORS. The district is governed by a board of not fewer than 5 and not more than 11 directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 1000 (S.B. 1942), Sec. 1, eff. June 15, 2007.
Sec. 7213.101. GENERAL POWERS. Except as otherwise provided by this chapter, the district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapters 49 and 65, Water Code, applicable to special utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1000 (S.B. 1942), Sec. 1, eff. June 15, 2007.

Sec. 7213.102. WATER SERVICE IMPACT FEE. (a) The district may charge a water service impact fee that is not greater than the equity buy-in fee charged by the Gastonia-Scurry Water Supply Corporation on December 31, 2006, under that corporation's tariff.

(b) Chapter 395, Local Government Code, does not apply to the initial water service impact fee set under this section.

(c) The district may increase the water service impact fee only as provided by Chapter 395, Local Government Code, or as approved by the Texas Commission on Environmental Quality.

Added by Acts 2007, 80th Leg., R.S., Ch. 1000 (S.B. 1942), Sec. 1, eff. June 15, 2007.

CHAPTER 7214. ROCKETT SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7214.001. DEFINITION. In this chapter, "district" means the Rockett Special Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 386 (H.B. 436), Sec. 1, eff. September 1, 2013.

SUBCHAPTER B. BONDS

Sec. 7214.051. AUTHORITY TO ISSUE BONDS. (a) The district has the rights, powers, duties, and obligations of an issuer under Chapter 1371, Government Code.

(b) Sections 49.181 and 49.182, Water Code, do not apply to the district.
CHAPTER 7215. MARILEE SPECIAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7215.001. DEFINITION. In this chapter, "district" means the Marilee Special Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 980 (H.B. 2055), Sec. 1, eff. September 1, 2013.

SUBCHAPTER B. BONDS

Sec. 7215.051. AUTHORITY TO ISSUE BONDS. (a) The district has the rights, powers, duties, and obligations of an issuer under Chapter 1371, Government Code.
(b) Sections 49.181 and 49.182, Water Code, do not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 980 (H.B. 2055), Sec. 1, eff. September 1, 2013.

CHAPTER 7216. JOHNSON COUNTY SPECIAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7216.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Johnson County Special Utility District.

Sec. 7216.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Johnson, Hill, Ellis, and Tarrant Counties created under Section 59, Article XVI, Texas Constitution.
Sec. 7216.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.03, eff. April 1, 2017.

Sec. 7216.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 780, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code;
(2) Subchapter H, Chapter 65, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue bonds or refunding bonds or to pay the principal of and interest on the bonds; or
(3) the legality or operation of the district or the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.03, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7216.051. COMPOSITION OF BOARD. The district is governed by a board of not fewer than 5 or more than 11 elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.03,
Sec. 7216.101. SPECIAL UTILITY DISTRICT POWERS. Except as specifically limited by Section 7216.102, the district has all of the rights, powers, privileges, authority, functions, and duties provided by general law applicable to a special utility district created under Section 59, Article XVI, Texas Constitution, including those provided by Chapters 49 and 65, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.03, eff. April 1, 2017.

Sec. 7216.102. LIMITATION OF CERTAIN POWERS. (a) Before June 20, 2009, the district:

(1) shall limit the exercise of its powers related to the provision of public water utility service to territory that is located within the boundaries of the district or as authorized by Certificate of Convenience and Necessity No. 10081; and

(2) may not provide wastewater service, solid waste service, firefighting service, or stormwater, flood control, and drainage services and may not convert to or otherwise become a municipal utility district, absent the express written consent of any municipality with extraterritorial jurisdiction that overlaps the district's boundaries.

(b) On or after June 20, 2009, to exercise a power restricted by this section, the district must file an application with the Texas Commission on Environmental Quality, if allowed by the law in existence at that time, to exercise that additional power. In addition to filing an application seeking expansion of the district's powers, the district must apply for a sewer certificate of convenience and necessity for the district to provide retail wastewater service. The district shall provide notice and a copy of an application for expansion of powers to each municipality whose jurisdiction, including extraterritorial jurisdiction, overlaps the district's boundaries, in addition to complying with any other applicable notice requirements.

(c) If a municipality that is entitled to the notice required
by Subsection (b) files a request for a contested case hearing within 60 days after receipt of the notice, the Texas Commission on Environmental Quality shall directly refer the application to the State Office of Administrative Hearings for a contested case hearing.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.03, eff. April 1, 2017.

Sec. 7216.103. DISTRICT RULES. The district may adopt and enforce reasonable rules.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.03, eff. April 1, 2017.

Sec. 7216.104. CONFLICT WITH MUNICIPAL REGULATION. (a) If a municipality asserts regulatory authority, including water quality standards, over a geographic area located within the district's jurisdiction, the municipality's regulation controls over the district's regulation if there is a regulatory conflict.

(b) This section does not apply to:
(1) potable water quality standards; or
(2) a dispute relating to retail water utility service areas.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.03, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7216.151. TAX-EXEMPT BOND FINANCING; SALES TAX EXEMPTION. This chapter may not be construed to impair the district's ability or right to obtain tax-exempt bond financing or a state sales tax exemption.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.03, eff. April 1, 2017.

CHAPTER 7218. JONAH WATER SPECIAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7218.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Jonah Water Special Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 877 (H.B. 4130), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7218.051. COMPOSITION OF BOARD. The district is governed by a board of nine directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 877 (H.B. 4130), Sec. 1, eff. September 1, 2015.

Sec. 7218.052. DIRECTOR ELIGIBILITY. To be eligible to be listed on the ballot as a candidate for or to serve as a director, a person must be:
(1) a resident of the district; and
(2) a retail water or sewer service customer of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 877 (H.B. 4130), Sec. 1, eff. September 1, 2015.

Sec. 7218.053. ELECTION OF DIRECTORS FROM SINGLE-MEMBER DISTRICTS. (a) The board by rule may provide for the election of some or all of the directors from single-member districts.
(b) In addition to the qualifications required by Section 7218.052, if the board provides for the election of some or all of the directors from single-member districts, to be eligible to be listed on the ballot as a candidate for or to serve as a director from a single-member district, a person must be a resident of that district.

Added by Acts 2015, 84th Leg., R.S., Ch. 877 (H.B. 4130), Sec. 1, eff.
CHAPTER 7219. CHISHOLM TRAIL SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7219.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Georgetown.
(3) "District" means the Chisholm Trail Special Utility District.

Added by Acts 2017, 85th Leg., R.S., Ch. 525 (S.B. 248), Sec. 1, eff. June 9, 2017.

SUBCHAPTER B. DISSOLUTION OF DISTRICT

Sec. 7219.051. PROPOSAL FOR DISSOLUTION; NOTICE. (a) If a majority of the board votes to propose to dissolve the district, the board may issue notice of a hearing on a proposal to dissolve the district.

(b) The district may not vote on the issue of dissolution before the earlier of:
(1) August 31, 2019; or
(2) if the district is a party to a lawsuit pending on May 1, 2017, the date:
   (A) a settlement is reached by all parties in the lawsuit; or
   (B) a final judgment is entered in the lawsuit.

(c) Not later than the 14th day before the date set for the hearing, notice of the hearing must:
(1) be posted at the courthouse of each county in which the district is located and at the district's office; and
(2) be published at least one time in a newspaper of general circulation in each county in which the district is located.

Added by Acts 2017, 85th Leg., R.S., Ch. 525 (S.B. 248), Sec. 1, eff. June 9, 2017.

Sec. 7219.052. HEARING AND ORDER. (a) At the hearing, held at the time and place stated in the notice under Section 7219.051, the
board shall:

(1) hear all interested persons;
(2) consider whether the best interests of the persons and property in the district will be served by dissolving the district; and
(3) vote on whether to dissolve the district.

(b) If two-thirds of the members of the board vote to dissolve the district, the board shall enter a finding in its records that the district will be dissolved after completion of the process to transfer to the city the district's certificate of convenience and necessity and other assets and liabilities under Section 7219.053. After the district's certificate of convenience and necessity and other assets and liabilities are transferred to the city under Section 7219.053, the board shall enter an order in its records dissolving the district.

(c) If two-thirds of the members of the board do not vote to dissolve the district, the board shall enter an order in its records providing that the district is not to be dissolved.

Added by Acts 2017, 85th Leg., R.S., Ch. 525 (S.B. 248), Sec. 1, eff. June 9, 2017.

Sec. 7219.053. ASSUMPTION OF OPERATION, MANAGEMENT, AND ASSETS AND LIABILITIES OF DISTRICT. (a) On the date the board enters a finding under Section 7219.052(b) that the district will be dissolved, the city shall assume:

(1) control of the operation and management of the affairs of the district, to the extent that the operation and management was not previously assumed by the city by contractual agreement;
(2) all rights, duties, and obligations of the district, including existing contracts, duties, assets, property, easements, financial obligations, and liabilities of the district, to the extent that those rights, duties, and obligations were not previously assumed by the city by contractual agreement;
(3) all files, records, and accounts of the district, including those that pertain to the control, finances, management, and operation of the district; and
(4) all permits, approvals, and licenses of the district.

(b) To the extent that the assumption of an item listed in
Subsection (a) requires the approval of a state agency, the state agency shall grant approval without additional notice or hearing.

(c) This section does not enhance or harm the position of a contracting party.

Added by Acts 2017, 85th Leg., R.S., Ch. 525 (S.B. 248), Sec. 1, eff. June 9, 2017.

Sec. 7219.054. REVIEW OF BOARD'S ORDER. The board's order dissolving the district is final and may not be appealed in any manner to any judicial, administrative, or other tribunal if the board's order is entered after the completion of the process to transfer the district's certificate of convenience and necessity, including any necessary approval of a state agency.

Added by Acts 2017, 85th Leg., R.S., Ch. 525 (S.B. 248), Sec. 1, eff. June 9, 2017.

SUBTITLE D. IRRIGATION DISTRICTS

CHAPTER 7501. DONNA IRRIGATION DISTRICT, HIDALGO COUNTY NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7501.001. DEFINITION. In this chapter, "district" means the Donna Irrigation District, Hidalgo County No. 1.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7501.002. NATURE OF DISTRICT. (a) The district is a conservation and reclamation district in Hidalgo County, Texas, created under Section 59, Article XVI, Texas Constitution, for all purposes of that section, including:

(1) the reclamation and irrigation of the district's arid, semiarid, and other land that needs irrigation; and

(2) the reclamation and drainage of the district's overflowed land and other land that needs drainage.

(b) The district is a political subdivision of this state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff.
Sec. 7501.003. LEGISLATIVE FINDINGS. The legislature finds that:

(1) the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and

(2) the creation of the district as a conservation and reclamation district:
   (A) will result in:
       (i) material benefits and improvements to district territory; and
       (ii) the increase of the taxable value of property in the district;
   (B) benefits all property in the district; and
   (C) will result in material benefit to that section of the state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7501.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 26, Special Laws, Acts of the 41st Legislature, 4th Called Session, 1930; Section 1, Chapter 108, Acts of the 56th Legislature, Regular Session, 1959; Section 1, Chapter 133, Acts of the 57th Legislature, Regular Session, 1961; and Section 1, Chapter 247, Acts of the 57th Legislature, Regular Session, 1961, as that territory may have been modified under:

(1) Chapter 25, General Laws, Acts of the 39th Legislature, Regular Session, 1925 (Article 7880-1 et seq., Vernon's Texas Civil Statutes), before August 30, 1971;

(2) Chapter 3, General Laws, Acts of the 46th Legislature, Regular Session, 1939 (Article 7775c-1, Vernon's Texas Civil Statutes), before August 30, 1971;

(3) Subchapter O, Chapter 51, Water Code, before December 15, 1978;

(4) Subchapter J, Chapter 49, Water Code, as restricted by Section 7501.005 of this code;

(5) Subchapter N, Chapter 58, Water Code; or
(6) other law.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7501.005. NONAPPLICABILITY OF OTHER LAW. Sections 49.303-49.308 and 58.501-58.509, Water Code, do not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

SUBCHAPTER B. DISTRICT POWERS

Sec. 7501.051. GENERAL POWERS. The district has:

(1) the powers of a conservation and reclamation district under Section 59, Article XVI, Texas Constitution, and the general laws of this state; and

(2) the powers of government and the authority to exercise the rights, privileges, and functions that are conferred by this chapter and the general laws of this state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

CHAPTER 7502. LAKE PROCTOR IRRIGATION AUTHORITY OF COMANCHE COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7502.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Lake Proctor Irrigation Authority of Comanche County, Texas.

(2) "Board" means the board of directors of the authority.

(3) "Commission" means the Texas Commission on Environmental Quality.

(4) "Director" means a member of the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.
Sec. 7502.002. NATURE OF AUTHORITY; POLITICAL SUBDIVISION. The Lake Proctor Irrigation Authority of Comanche County, Texas, is:
(1) a conservation and reclamation district under Section 59, Article XVI, Texas Constitution; and
(2) a political subdivision of this state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.003. LEGISLATIVE FINDINGS. The legislature finds that:
(1) this chapter will accomplish the purposes of Section 59, Article XVI, Texas Constitution;
(2) all land and other property included in the authority's boundaries will benefit from the works, projects, and operations of the authority; and
(3) the authority serves a public use and benefit.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.004. AUTHORITY BOUNDARIES. (a) The authority is composed of the territory described by Section 4(a), Chapter 522, Acts of the 71st Legislature, Regular Session, 1989, as that territory may have been modified under:
(1) Subchapter N, Chapter 58, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The legislature finds that the boundaries of the authority form a closure. If any mistake exists in the description of the authority's boundaries, the mistake does not affect:
(1) the authority's organization, existence, or validity; or
(2) the exercise of a power, function, or purpose by the authority under this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7502.051. COMPOSITION. The board consists of five directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.052. QUALIFICATIONS. A director must:
(1) be at least 18 years of age; and
(2) own land, or an interest in land in the authority, directly or as an interest in an entity owning that land at the time of the person's appointment as a director.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.053. APPOINTMENT OF DIRECTORS BY COMMISSION; TERM. The commission shall:
(1) appoint a person recommended to the board under Section 7502.054 or 7502.055 for a four-year term; or
(2) reject the person recommended.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.054. RECOMMENDATION BY LANDOWNERS. (a) The board shall seek recommendations from the landowners in the authority for the appointment of directors. The board shall take a recommendation for each director whose term expires in January following the annual board meeting held in odd-numbered years.

(b) To determine a recommendation, the board shall conduct a written poll of the landowners in the authority in attendance at the annual board meeting held in odd-numbered years.

(c) For each recommendation taken, a landowner is entitled to one vote for each acre of land the person owns in the authority. Cumulative voting for recommendations is not permitted.

(d) The board shall submit to the Texas Commission on Environmental Quality the name of the person receiving the most votes
for each recommendation taken.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.055. RECOMMENDATION OF DIRECTOR FOLLOWING REJECTION BY COMMISSION. (a) If the commission rejects a recommendation submitted by the board, the board shall hold a special meeting of landowners not later than the 20th day after the date notice of the meeting is mailed to the landowners in the authority.

(b) At the special meeting, the board shall conduct a written poll and submit the results of the poll to the commission in the same manner as the poll conducted at the annual meeting.

(c) The board shall hold subsequent special meetings as needed for the appointment of the appropriate number of directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.056. VACANCIES. A vacancy on the board is filled for the remainder of the unexpired term by appointment by:

(1) the remaining directors, if three or more directors remain on the board; or

(2) the Texas Commission on Environmental Quality, if fewer than three directors remain on the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.057. COMPENSATION. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director shall receive a fee of $50 for each day spent performing official duties as a director, not to exceed $200 per month.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.
Sec. 7502.058. REGULAR BOARD MEETINGS. The board shall hold regular meetings at least annually.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7502.101. GENERAL RIGHTS, POWERS, PRIVILEGES, FUNCTIONS, AND DUTIES. The authority has the rights, powers, privileges, functions, and duties provided by general law, including Chapter 58, Water Code, applicable to irrigation districts.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.102. GENERAL POWERS OF BOARD. The board shall provide for:

(1) the proper execution of all contracts, disbursements, and transfers;

(2) the investment of money; and

(3) the handling of any other matter authorized by the board and recorded in the official minutes of the authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.103. AWARD OF CERTAIN CONTRACTS. (a) The authority may award a contract for more than $25,000 for the construction of water system improvements or the purchase of materials and machinery only after publishing notice of the proposed construction or purchase contract in a newspaper of general circulation in Comanche County.

(b) Notice under Subsection (a) must be published once a week for two consecutive weeks, with the first publication occurring at least 14 days before the date sealed bids are opened.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.
Sec. 7502.104. EXCLUSION OF LAND. (a) If the authority has no outstanding bonds, the board may exclude land or other property from the authority under Subchapter J, Chapter 49, Water Code.

(b) The board may require a petitioner for exclusion to:

(1) pay the authority:

(A) the fair market value of submains, lateral lines, surface lines, and emitters located on land disannexed from the authority; and

(B) the actual cost of disconnecting submains, lateral lines, surface lines, and emitters located on land disannexed from the authority; and

(2) provide, without charge, an easement across the excluded land if, in the opinion of the board, the easement is necessary for the authority to continue to serve other property in the authority effectively and efficiently.

(c) For purposes of Subsection (b), the fair market value must be determined by an independent appraisal unless the fair market value is mutually agreed on.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.105. FAILURE TO REPAIR OR IMPROVE. (a) If the board finds that the failure or refusal of a landowner receiving water from the authority to make repairs or improvements to any of the landowner's water lines connected to the authority's water system adversely affects the system, the board may:

(1) discontinue service to the land; or

(2) give notice to the landowner that the board will make necessary repairs or improvements and demand payment from the landowner for the costs incurred unless the landowner makes the repairs or improvements not later than the 10th day after the date the landowner receives the notice.

(b) If the board discontinues service to the land, the authority shall immediately give notice to the landowner.

(c) The notice and the 10-day period for the landowner to make repairs or improvements under Subsection (a)(2) does not apply if there is an urgent necessity to make the repairs or improvements immediately to protect and conserve the authority's water supply.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7502.151. USE OF BOND PROCEEDS FROM PREVIOUS DISTRICT. The authority may use any bond or bond retirement funds not canceled under Section 3, Chapter 522, Acts of the 71st Legislature, Regular Session, 1989, for any lawful purpose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.152. AD VALOREM TAXES PROHIBITED. The authority may not impose an ad valorem tax.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.153. ASSESSMENTS FOR COSTS AND EXPENSES. (a) Before October 1 of each year, or as soon after that date as practicable, the board shall:

(1) estimate the total costs and expenses to be incurred by the authority during the ensuing fiscal year for the proper maintenance and operation of the authority's facilities, including any necessary reserves and replacement funds; and

(2) impose assessments to provide money to pay those costs and expenses.

(b) The board, in its discretion, shall determine the costs and expenses that will be paid by:

(1) an assessment on all of the land in the authority on a per acre basis; and

(2) an assessment on a prorated basis on all persons who use or apply to use the authority's water.

(c) The board shall:

(1) determine the time at which payment of an assessment is due;

(2) provide a penalty for late payment;

(3) provide for collection charges and termination of water
service for delinquent accounts;
   (4) allow an assessment to be paid in periodic installments;
   (5) allow a reasonable discount for lump-sum payment of an assessment; and
   (6) adopt any other rules regarding assessments and use of the authority's water the board determines necessary for proper and efficient operation and maintenance of the authority's facilities.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

SUBCHAPTER E. BONDS

Sec. 7502.201. AUTHORITY TO ISSUE REVENUE BONDS. The board may issue revenue bonds of the authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.202. PURPOSE OF BONDS. Bonds sold under this subchapter must be for the purpose of:
   (1) constructing improvements, additions, and extensions to the authority's water system and rebuilding, replacing, or protecting the water system as required to provide efficient service;
   (2) acquiring necessary sites and easements; and
   (3) paying any incidental costs, professional fees, and costs of issuance of the bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.203. SECURITY FOR REVENUE BONDS. (a) The principal of and interest on revenue bonds issued under this subchapter and the redemption price of the bonds must be secured by and payable solely from a pledge of all or any part of designated revenue resulting from the operations of the authority's water system.

   (b) The board additionally may secure revenue bonds issued under this subchapter by a deed of trust or mortgage lien on all or
part of the physical facilities of the authority as provided by Section 54.504, Water Code.

(c) The holders of revenue bonds issued under this subchapter may not demand payment from money raised or to be raised from taxation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.204. MATURITY OF BONDS. Revenue bonds issued under this subchapter may be issued to mature within 30 years after the date of issuance.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.205. CAPITALIZED INTEREST AND DISCOUNT ON BONDS. (a) Capitalized interest on bonds issued under this subchapter may not exceed two years.

(b) A discount on bonds issued under this subchapter may not exceed five percent of the par value of the bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

Sec. 7502.206. VALIDATION OF BONDS. The board may file suit to validate bonds in the manner provided by Section 58.453, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.05, eff. April 1, 2007.

CHAPTER 7503. DELTA LAKE IRRIGATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7503.001. DEFINITION. In this chapter, "district" means the Delta Lake Irrigation District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.08,
Sec. 7503.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Willacy and Hidalgo Counties, Texas, created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.08, eff. April 1, 2009.

Sec. 7503.003. LEGISLATIVE FINDINGS. The legislature finds that the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.08, eff. April 1, 2009.

Sec. 7503.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 166, Acts of the 41st Legislature, Regular Session, 1929, as that territory may have been modified under:

4. Subchapter J, Chapter 49, Water Code;
5. Subchapter N, Chapter 58, Water Code; or
6. other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.08, eff. April 1, 2009.

SUBCHAPTER B. POWERS
Sec. 7503.051. GENERAL POWERS. The district has:

(1) the powers of a conservation and reclamation district under Section 59, Article XVI, Texas Constitution, and the general laws of this state; and

(2) the powers of government and the authority to exercise the rights, privileges, and functions that are conferred by this chapter and the general laws of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.08, eff. April 1, 2009.

SUBTITLE E. LEVEE IMPROVEMENT DISTRICTS
CHAPTER 7801. BOIS D'ARC ISLAND LEVEE IMPROVEMENT DISTRICT OF DALLAS AND KAUFMAN COUNTIES
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7801.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Bois d'Arc Island Levee Improvement District of Dallas and Kaufman Counties.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 7801.002. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 57, Water Code, applies to the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

For expiration of this section, see Subsection (d).

Sec. 7801.003. DISSOLUTION OF DISTRICT. (a) Not later than 18 months after the next regularly scheduled election of directors under Section 7801.051, the Commissioners Courts of Dallas and Kaufman Counties may dissolve the district if:

(1) at that election, the appropriate number of directors under Section 7801.051(c) are not elected; or
(2) the directors elected at that election fail to attend 50 percent of the board meetings scheduled during the 12 months
following that election.

(b) To dissolve the district under Subsection (a), the Commissioners Courts of Dallas County and Kaufman County each must issue an order dissolving the district. The orders must provide for the:

(1) sale or transfer of the district's assets and liabilities;
(2) administration of property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled; and
(3) continued provision of the district's services without interruption to the extent the district has been providing services.

(c) The dissolution of the district and the sale or transfer of the district's assets and liabilities may not:
(1) violate a trust indenture or bond resolution relating to the outstanding bonds of the district; or
(2) diminish or impair the rights of the holders of outstanding bonds, warrants, or other obligations of the district.

(d) This section expires January 1, 2020.

Added by Acts 2017, 85th Leg., R.S., Ch. 407 (H.B. 1709), Sec. 1, eff. September 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS AND OFFICERS

Sec. 7801.051. BOARD. (a) The district is governed by a board of five elected directors.

(b) A person must indicate on the application for a place on the ballot the precinct that the person wants to represent.

(c) An election shall be held on the first Saturday in May of each even-numbered year to elect the appropriate number of directors. Except as provided by Subsection (d), directors serve four-year terms.

(d) The board shall revise each precinct after each federal decennial census to reflect population changes. At the first election after the precincts are revised, a new director shall be elected from each precinct. The directors shall draw lots to determine which two directors serve two-year terms and which three directors serve four-year terms.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 7801.052. TREASURER. (a) The board may provide for the appointment of a treasurer for the district.

(b) In addition to the powers and duties provided by other law, the treasurer has the powers and duties of the county treasurer under Chapter 57, Water Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7801.101. POWERS AND DUTIES OF BOARD. The board has the powers and duties delegated to the commissioners court and county judge under Chapter 57, Water Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 7801.102. IMPOSITION OF TAXES. (a) The Tax Code governs the imposition of district taxes.

(b) The board may provide for the appointment of a tax assessor-collector or may contract for the imposition of taxes with Dallas County or Kaufman County or with another person as provided by the Tax Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 7801.103. ESTABLISHING MINIMUM BENEFIT BASIS. (a) If the district levies taxes on the benefit basis, the board may establish a minimum benefit that will accrue to each piece of taxable property in the district.

(b) The board shall serve as the commissioners of appraisement.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 7801.104. EXCLUSION OF LAND FROM DISTRICT. If the district does not have outstanding bonds payable in whole or in part from taxes, the board may exclude land from the district as provided
Sec. 7801.105. CONVEYANCE OF DISTRICT FACILITIES IN AN EXCLUDED AREA. (a) If the district has facilities located in an area that is excluded from the district, the board may convey those facilities to another governmental entity that agrees to assume the responsibility for flood protection for the excluded area.

(b) A conveyance under this section may:

(1) be on the terms determined by the board; and

(2) include a right-of-way, easement, or fee title to land on which the facilities are located.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 7802. DALLAS COUNTY LEVEE IMPROVEMENT DISTRICT NO. 14
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7802.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Dallas County Levee Improvement District No. 14.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.09, eff. April 1, 2009.

Sec. 7802.002. NATURE OF DISTRICT. The district is a conservation and reclamation district and a levee improvement district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.09, eff. April 1, 2009.

Sec. 7802.003. FINDING OF PUBLIC PURPOSE. The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 7802.004. DISTRICT TERRITORY. The district is composed of the territory in Dallas County described by Section 1, Chapter 306, Acts of the 45th Legislature, Regular Session, 1937, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

Sec. 7802.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 57, Water Code, applies to the district.

SUBCHAPTER B. BOARD OF DIRECTORS AND OFFICERS

Sec. 7802.051. BOARD. (a) The district is governed by a board of five elected directors.

(b) An election shall be held on the uniform election date in May of each even-numbered year to elect the appropriate number of directors. Except as provided by Subsection (c), directors serve four-year terms.

(c) The board shall revise each precinct used to elect a director after each federal decennial census to reflect population changes. At the first election after the precincts are revised, a new director shall be elected from each precinct. The directors shall draw lots to determine which two directors serve two-year terms and which three directors serve four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.09, eff. April 1, 2009.
Sec. 7802.052. TREASURER. (a) The board may provide for the appointment of a treasurer for the district.

(b) In addition to the powers and duties provided by other law, the treasurer has the powers and duties of the county treasurer under Chapter 57, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.09, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7802.101. GENERAL POWERS AND DUTIES OF DISTRICT. The district has:

(1) the powers of government; and

(2) the rights, privileges, and functions conferred by this chapter, by Section 59, Article XVI, Texas Constitution, and by the general laws of this state relating to levee improvement districts, including Chapters 49 and 57, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.09, eff. April 1, 2009.

Sec. 7802.102. POWERS AND DUTIES OF BOARD. The board has the powers and duties delegated to the commissioners court and county judge under Chapter 57, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.09, eff. April 1, 2009.

Sec. 7802.103. IMPOSITION OF TAXES. (a) The Tax Code governs the imposition of district taxes.

(b) The board may provide for the appointment of a tax assessor-collector or may contract for the imposition of taxes with Dallas County or with another person as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.09, eff. April 1, 2009.
CHAPTER 7803. IRVING FLOOD CONTROL DISTRICT SECTION I
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7803.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Irving Flood Control District

Section I.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.002. NATURE OF DISTRICT. The district is a conservation and reclamation district and a flood control district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.004. DISTRICT TERRITORY. (a) The district is composed of all territory in the boundaries described by Section 2, Chapter 135, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:
(1) Section 7803.102 of this chapter or its predecessor statute, former Section 18, Chapter 135, Acts of the 62nd Legislature, Regular Session, 1971;

(2) Subchapter F of this chapter or its predecessor statute, former Section 26, Chapter 135, Acts of the 62nd Legislature, Regular Session, 1971, as amended by Section 1, Chapter 117, Acts of the 65th Legislature, Regular Session, 1977;

(3) former Section 7, Chapter 135, Acts of the 62nd Legislature, Regular Session, 1971;

(4) Subchapter J, Chapter 49, Water Code; or

(5) other law.

(b) The boundaries and field notes of the district contained in Section 2, Chapter 135, Acts of the 62nd Legislature, Regular Session, 1971, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;

(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose a tax; or

(4) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.005. DISSOLUTION AND ABOLITION OF DISTRICT. The City of Irving may dissolve and abolish the district at the municipality's discretion on written notice of the dissolution and abolition to the board, in the same manner and on the same terms and obligations as prescribed by Sections 43.074, 43.075, and 43.081, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7803.051. COMPOSITION OF BOARD; TERMS. The board consists of seven elected directors who serve staggered terms.
Sec. 7803.052. ELIGIBILITY FOR OFFICE. A director must own land in the district subject to taxation at the time the director qualifies for office.

Sec. 7803.053. DIRECTOR'S BOND. (a) Each director shall qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The bond must be recorded in the official bond records in the office of the county clerk of Dallas County.

Sec. 7803.054. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy on the board shall be filled by appointment to the unexpired term by the remaining directors.

(b) The City Council of the City of Irving shall appoint directors to fill all vacancies on the board if the number of qualified directors is less than four.

(c) If any director ceases to possess the qualifications prescribed by Section 7803.052, the remaining directors shall declare the person's office vacant and appoint a successor.

Sec. 7803.055. BOARD PRESIDENT; ABSENCE OF BOARD PRESIDENT. (a) The board may authorize the president to sign all orders or take other action.

(b) Any order adopted or other action taken at a board meeting at which the president is absent may be signed by the vice president,
or the board may authorize the president to sign the order or other action.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.056. SECRETARY'S DUTIES. The board secretary shall keep accurate minutes and may certify to any action the board takes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.057. TREASURER. (a) The board may appoint a district treasurer.

(b) The district treasurer shall give bond in an amount required by the board, conditioned on the treasurer's faithful accounting of all money that comes into the treasurer's custody as district treasurer.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.058. COMPENSATION. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director shall receive a per diem payment of $25 for each day spent performing district work.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.059. DESIGNATION OF DIRECTOR TO ACT ON DISTRICT'S BEHALF. The board may designate one or more directors who, on behalf of the district, may execute all contracts, including a construction contract, sign checks, or handle any other matter entered into by the board as shown in the district's official minutes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02,
Sec. 7803.060. DISTRICT OFFICE. (a) The board shall designate, establish, and maintain a district office inside the district.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by publishing notice of the location of the office in a newspaper of general circulation in Dallas County.

(c) A district office that is a private residence or office is a public place for matters relating to the district's business.

(d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.061. RECORDS. The board shall keep and maintain complete and accurate accounts and records, which shall be kept at the district's principal office and be open to public inspection at reasonable times.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7803.101. LEVEE IMPROVEMENT DISTRICT POWERS. (a) The district has the rights, powers, privileges, and functions applicable to a levee improvement district created under the authority of Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 57, Water Code.

(b) The district has the power to construct and maintain levees and other improvements on, along, and contiguous to rivers, creeks, streams, and drainage courses for the purposes of:

(1) reclaiming land from overflow from the water;

(2) controlling and distributing the water of rivers and
streams by straightening and otherwise improving the rivers and streams;

(3) draining the land properly and otherwise improving the land; and

(4) preventing the pollution of the water.

(c) In the accomplishment of the district's purposes, the district may issue bonds, enter into contracts, or incur debt in the manner prescribed by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.102. ANNEXATION OF LAND. (a) The district may annex land in the manner provided by Subchapter J, Chapter 49, or Subchapter O, Chapter 51, Water Code, to the extent applicable.

(b) If land is annexed by the district under Section 49.301 or 51.714, Water Code, the board may require the petitioners to:

(1) allow the land to be added to assume its pro rata share of taxes necessary to support the voted but unissued bonds of the district; and

(2) authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.

(c) If land is annexed by the district under Section 49.302, Water Code, the board may submit to the voters of the area to be annexed a proposition on the question of the assumption by the area to be annexed of its pro rata share of the voted but not yet issued or sold bonds of the district and the imposition of an ad valorem tax on taxable property in the area to be annexed along with a tax in the rest of the district for the payment of the bonds.

(d) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued bonds regardless of changes to district boundaries since the original voting or authorization of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain in Dallas County to acquire the fee
simple title to or an easement or right-of-way to, over, or through any private or public land, water, or land under water that is in the district, borders the district, is adjacent or opposite to the district, or is outside of the district if the property has a direct effect on the accomplishment of the purposes for which the district is created and is necessary for making, constructing, and maintaining all levees and other improvements for the improvement of rivers, creeks, streams, or drainage courses in the district or bordering the district to prevent the overflow of water.

(b) The district may not exercise the power of eminent domain under Subsection (a) to acquire land or other property that is used for cemetery purposes.

(c) The district shall pay adequate compensation to the owner of property that is taken, damaged, or destroyed for the purposes described by Subsection (a).

(d) A condemnation proceeding must be brought in the name of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of:

(1) relocating, raising, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b); and

(2) providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of its power of eminent domain, power of relocation, or any other power makes necessary the relocation, raising, rerouting, changing the grade, or alteration of the construction of a highway, a railroad, an electric transmission line, a telephone or telegraph property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district unless the owner of the relocated or altered facility has a legal obligation to pay those expenses, in which event the necessary action shall be accomplished at the expense of the owner.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02,
Sec. 7803.105. CONTRACTS FOR FACILITIES AND IMPROVEMENTS; ELECTION NOT REQUIRED. (a) The district may enter into a contract with the United States, the City of Irving, another public body, or an individual, corporation, or other entity for the maintenance or construction of any facility or improvement authorized by this chapter.

(b) The district may enter into a contract under Subsection (a) without:

(1) voting for the issuance of bonds; or
(2) holding an election to approve the contract.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

(a) A contract involving an expenditure of more than $25,000 for the construction of a district facility or improvement or for the purchase of machinery, materials, or supplies for the district must be entered into by the board in accordance with this section.

(b) Not later than the 14th day before the date sealed bids are opened, the letting of a contract described by Subsection (a) must be advertised by publishing notice one time in one or more newspapers having general circulation in this state. The notice must include the general conditions of the contract and the date, time, and place of the opening of the sealed bids.

(c) A person who desires to bid on the construction of any works advertised in the notice under Subsection (b) and submits a written application to the board or the district's engineer shall be provided with a copy of the plans and specifications showing the work to be done. A fee may be charged to cover the cost of making the copy.

(d) A bid must be in writing, sealed, and delivered to the board and be accompanied by a certified or cashier's check or bidder's bond for at least five percent of the total amount of the bid.

(e) A successful bidder who fails or refuses to enter into a proper contract or to furnish proper performance and payment bonds
for the contract forfeits to the district the amount of the check delivered under Subsection (d).

(f) All bids must be opened at the same time.

(g) The board may reject any or all bids.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.107. CONSTRUCTION CONTRACTS: EXECUTION AND AVAILABILITY. (a) A construction contract must be in writing and signed by the contractor and:

(1) the president and secretary of the board; or

(2) a majority of the directors.

(b) A copy of each construction contract shall be kept in the district's records and be subject to public inspection.

(c) A construction contract must contain or have attached to it the specifications for all work included in the contract.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.108. CONSTRUCTION CONTRACTS: PAYMENT. (a) A construction contract may be paid for in partial payments as the work progresses, based on estimates approved by the district's engineer.

(b) The payments may not exceed 90 percent of the amount due at the time of the payments as shown by the approved estimates, except that the final approved estimate, including all prior retainage, must be paid in full.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.109. FLOOD HAZARD AREAS. (a) The board by resolution shall designate flood hazard areas in the district if the board finds that the public health, safety, and general welfare, and the purposes of Section 59, Article XVI, Texas Constitution, will be promoted by the designation.

(b) The resolution must contain field notes, a map, or both
field notes and a map that describe the area to be included in a flood hazard area.

(c) Before passing a resolution designating a flood hazard area, the board shall hold at least one public hearing related to the designation. The board must publish notice of the time and place of the hearing in English in a newspaper having general circulation in Dallas County at least 15 days before the date of the hearing. A hearing may be continued from time to time until the board determines that all interested persons have had an opportunity to be heard.

(d) The board by resolution may, following notice and a hearing as required by Subsection (c), amend the designated flood hazard areas as the board determines necessary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.110. SETBACK LINES: RESOLUTION, NOTICE, AND HEARING.
(a) The board may establish and maintain building setback lines along any waterway in the district for the purpose of promoting the public health, safety, and general welfare and accomplishing the purposes of Section 59, Article XVI, Texas Constitution.

(b) Building setback lines may be established only after notice and hearing. The notice must be published in a newspaper of general circulation in Dallas County not earlier than the 60th day or later than the 15th day before the date of the hearing. Each affected landowner must be given actual notice by certified mail of the hearing.

(c) The board by resolution shall adopt building setback lines if, after the hearing is completed, the board finds that the establishment of building setback lines is for the public health, safety, and general welfare of the people in the district and for the accomplishment of the purposes of Section 59, Article XVI, Texas Constitution. The resolution must contain a description of the area included in the building setback lines by field notes, a map or plat, or both. A certified copy of the resolution shall be filed for record immediately with the county clerk of Dallas County. On the filing of the resolution, all persons are charged with notice of the requirements of the resolution.

(d) The board may, on public hearing after notice as provided
by Subsection (b), amend, supplement, or grant an exception to building setback lines as determined necessary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.111. SETBACK LINES: EFFECT ON LANDOWNERS. (a) Except as otherwise provided by this section, after the establishment of building setback lines under Section 7803.110, a structure may not be erected within the setback lines.

(b) A person intending to erect a structure within building setback lines must give written notice of the intention by certified mail not later than the 90th day before the date the person begins erecting the structure.

(c) Provided that the landowner was given actual notice by certified mail of the hearing to establish the setback lines, a person's failure to give notice under Subsection (b) constitutes a prima facie showing in any subsequent eminent domain proceeding instituted by the district to acquire the area within the setback lines that the person erecting the structure did so at the person's own risk with knowledge of:

(1) the fact that erecting the structure interfered with the district's setback provisions; and

(2) the district's right to remove the structure erected after the establishment of the setback lines without recovery of the value of the structure.

(d) If the district does not institute an eminent domain proceeding to acquire an area within building setback lines within 90 days after the date notice is mailed under Subsection (b), the setback lines may not affect damages in the eminent domain proceeding and the damages must be determined and paid as if the setback lines had not been established.

(e) An owner who believes that a structure the owner is about to erect may be within the required setback area by certified letter may petition the district to survey and mark the building setback lines on the ground. If the district fails within 90 days to make the requested survey and mark the location of the setback lines on the ground or to show the location of the setback lines in another reasonable manner, the owner may erect the structure in the same
manner and with the same results as if setback lines had not been established.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.112. LEGISLATIVE INTENT. Sections 7803.110 and 7803.111 are intended to give the board the right to protect from encroachment those areas that need to be protected from encroachment for such immediate and future drainage and flood control right-of-way requirements in the district as it may be necessary, or in the public interest to protect or promote the public health, safety, and general welfare.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.113. NOTICE OF DISTRICT ELECTIONS. Notice of a district election must be published once in a newspaper with general circulation in Dallas County and in the district at least 20 days before the date of the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7803.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation, including for any separately defined area annexed under Subchapter F.

(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.152. ASSESSMENT AND COLLECTION OF TAXES. (a) The tax assessor and collector for the City of Irving shall assess and
collect taxes for the district.

(b) The tax assessor and collector shall make the records maintained by the tax assessor and collector available to the district on request by the secretary of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.153. CERTIFICATION OF TAX RATE. Each year, the board shall certify to the tax assessor and collector for the City of Irving the rate or rates of tax that the board has imposed for bond and maintenance purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:

(1) district property; or
(2) a purchase made by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.155. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the district to serve as the depository for the district's money.

(b) All district money shall be deposited in the depository bank or banks, except that sufficient money must be remitted to and received by the bank or banks of payment to pay the principal of and interest on any outstanding district bonds on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02,
eff. April 1, 2015.

SUBCHAPTER E. BONDS

Sec. 7803.201. AUTHORITY TO ISSUE BONDS. The board may issue district tax bonds to acquire money to carry out any district power or accomplish any district purpose under this chapter. The bonds may be authorized by a board order.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.202. FORM OF BONDS. District bonds and their related interest coupons shall be signed and executed as provided by the board in the order authorizing the issuance of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.203. MATURITY. District bonds must mature not later than 40 years after their date of issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.204. ELECTION REQUIRED. (a) The district may not issue bonds, other than refunding bonds, unless the bonds are authorized by a majority vote of the district voters voting in an election held to determine whether the bonds should be issued and whether a tax should be imposed to pay the principal of and interest on the bonds.

(b) The board may order and provide notice of an election under this section.

(c) In addition to the requirements of the Election Code, the ballots shall have printed on them "For the issuance of bonds and the levy of taxes in payment thereof" and the contrary of that proposition.
Sec. 7803.205. USE OF BOND PROCEEDS DURING CONSTRUCTION. (a) The board may set aside part of the bond proceeds to:
(1) pay interest on the bonds during the period of construction of improvements or facilities; and
(2) create reserves for the payment of the principal of and interest on the bonds.
(b) For purposes of Subsection (a), the period of construction may not exceed two years.

Sec. 7803.206. TAXES FOR BONDS. The board may impose continuing direct annual ad valorem taxes on all taxable property in the district sufficient to:
(1) provide for the payment of interest on bonds issued under this subchapter as the interest accrues; and
(2) create and provide a sinking fund for the payment of principal of the bonds as the principal matures.

Sec. 7803.207. PRELIMINARY BONDS. (a) The district may issue preliminary bonds, which need not be designated as such, to provide a fund to pay:
(1) the cost of making surveys and investigations, attorneys' fees, and engineers' work;
(2) the cost of issuing bonds; and
(3) all other costs and expenses incident to the district's operation in investigating and determining plans for the district's plant and improvements.
(b) Preliminary bonds shall be voted and authorized in the manner and under the same provisions applicable to the district's construction bonds and shall be of equal dignity with those
Sec. 7803.208. EXCHANGING BONDS FOR PROPERTY OR WORK. The district may exchange bonds:

(1) for property acquired by purchase; or

(2) in payment of the contract price of work performed for the use and benefit of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

SUBCHAPTER F. DEFINED AREAS

Sec. 7803.251. AUTHORITY TO ANNEX DEFINED AREA. (a) In addition to annexing land under Section 7803.102, the board may annex land to the district as a separately defined area on the petition of the owner or owners of a majority of the land contained in an area defined by metes and bounds outside the district.

(b) The petition must be filed with the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.252. NOTICE OF AND HEARING ON PETITION TO ANNEX DEFINED AREA. (a) On receipt of a petition under Section 7803.251, the board by order shall set a time and place for a hearing on the petition to be held not less than 30 days after the date of the order.

(b) Notice of the time and place of the hearing on the petition must be posted in the district and in the separately defined area proposed to be annexed for at least 15 days before the date of the hearing. Notice must also be published one time in a newspaper with general circulation in the county at least 15 days before the date of the hearing.

(c) The notice described by Subsection (b) must contain a description of the separately defined area proposed to be annexed.
Sec. 7803.253. ORDER ANNEXING DEFINED AREA. (a) The board by order may designate an area as a separately defined area and annex the area to the district if, on hearing a petition under Section 7803.252, the board finds that:

(1) there is a need for improvements for the conservation and reclamation of the defined area;
(2) the area will benefit from the improvements; and
(3) the improvements will serve a public use and benefit.

(b) The board does not have to include all of the area described in the petition if the board finds that a modification of the area is necessary or desirable.

(c) The order must be entered in the board's minutes and filed for record in the same manner required for other district annexations of land.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.254. ELECTION REQUIRED. (a) Annexation of a separately defined area is not final until ratified by a majority vote of the voters in the defined area voting at an election held in the area.

(b) Section 7803.113 governs notice of an election under this section.

(c) A separately defined area is a separate election precinct for an election under this section and all other elections for the defined area.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7803.255. NUMBERING OF DEFINED AREAS. All annexed separately defined areas shall be numbered in consecutive order. The first separately defined area shall be designated as "Irving Flood Control District of Dallas County, Texas - Section II."
Sec. 7803.256. ADMINISTRATION OF DEFINED AREA. (a) The board shall administer all business incident to any separately defined area annexed under this subchapter.

(b) Each annexed separately defined area shall pay its pro rata share of the administrative costs of the district, based on the assessed valuation of the defined area in relation to the assessed valuation of the district and any other defined areas annexed to the district.

Sec. 7803.257. POWERS AND DUTIES OF DEFINED AREA. Except as otherwise provided by this subchapter, or where in conflict with this subchapter, an annexed separately defined area has the rights, duties, restrictions, and provisions of this chapter.

Sec. 7803.258. TAXATION; GENERAL PROVISIONS. (a) An annexed separately defined area is a separate tax area for the payment of all indebtedness incurred for improvements constructed on authorization of the defined area and for the maintenance of those improvements.

(b) A separately defined area is liable only for indebtedness incurred or taxes imposed for improvements and the maintenance of those improvements authorized by the defined area. No other part of the district, including another separately defined area, is liable for the payment of the indebtedness or taxes described by this subsection.

(c) Taxes in a separately defined area shall be imposed in the manner provided by Sections 7803.152 and 7803.153.

(d) The provisions authorizing a maintenance tax contained in Section 49.107, Water Code, apply to a separately defined area.
Sec. 7803.259. BONDS; GENERAL PROVISIONS. (a) After a separately defined area is annexed, the board may issue tax bonds clearly entitled by the designation of the defined area to acquire money to carry out any district power or accomplish any district purpose under this chapter for improvements to or for the defined area.

(b) The board may impose continuing direct annual ad valorem taxes on all taxable property located solely in the separately defined area sufficient to:

(1) provide for the payment of interest on bonds issued under this section as the interest accrues; and

(2) create and provide a sinking fund for the payment of principal of the bonds as the bonds mature.

(c) The issuance of bonds under this section may be authorized by a board order.

(d) The district may not issue bonds, other than refunding bonds, unless the bonds are authorized by a majority vote of the voters residing in the separately defined area voting in an election held to determine whether the bonds should be issued and whether a tax should be imposed on property in the defined area to pay the principal of and interest on the bonds. The election must be held in the manner provided by Sections 7803.113 and 7803.204.

(e) The initial bond election for a separately defined area may be held on the same day as the election to ratify annexation of the defined area and as part of the order calling the ratification election.

(f) Subchapter E applies to any bonds issued to provide improvements to or for any separately defined area in a manner consistent with this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.
the same requirements, and of like effect as under Subchapter E.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

CHAPTER 7804. FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 19

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7804.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a board member.
(3) "District" means the Fort Bend County Levee Improvement District No. 19.

Added by Acts 2007, 80th Leg., R.S., Ch. 194 (S.B. 1978), Sec. 1, eff. May 23, 2007.

Sec. 7804.002. NATURE OF DISTRICT. (a) The district is a levee improvement district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district, to the extent authorized by Section 7804.052 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 194 (S.B. 1978), Sec. 1, eff. May 23, 2007.

Sec. 7804.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 194 (S.B. 1978), Sec. 1, eff. May 23, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7804.051. LEVEE IMPROVEMENT DISTRICT POWERS AND DUTIES.
(a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 57, Water Code, applicable to levee improvement districts created under Section 59,
(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 194 (S.B. 1978), Sec. 1, eff. May 23, 2007.

Sec. 7804.052. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or

(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and

(2) each county in which the road project is located if the road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or

(2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 194 (S.B. 1978), Sec. 1, eff. May 23, 2007.
obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for road projects under Section 7804.052.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

(c) The total principal amount of bonds, notes, or other obligations issued or incurred to finance the road projects may not exceed one-fourth of the assessed value of the real property in the district according to the most recent certified appraisal roll for Fort Bend County.

Added by Acts 2007, 80th Leg., R.S., Ch. 194 (S.B. 1978), Sec. 1, eff. May 23, 2007.

CHAPTER 7805. IRVING FLOOD CONTROL DISTRICT SECTION III
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7805.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Irving Flood Control District Section III of Dallas County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7805.002. NATURE OF DISTRICT. (a) The district is established under Section 59, Article XVI, Texas Constitution, and Chapter 7803.

(b) The district is a separate and independent conservation and reclamation district and a political subdivision of this state.

(c) The district is a separately defined area of Irving Flood Control District Section I.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.
Sec. 7805.003. DISTRICT TERRITORY. The district is composed of the territory located within the redefined boundaries of the district filed in the deed records of Dallas County, Texas, on October 1, 1983, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7805.051. COMPOSITION OF BOARD; TERM. (a) The board is composed of five directors appointed by the city council of the City of Irving, Texas.

(b) Directors serve staggered two-year terms, with the terms of two directors expiring on the second Tuesday in January of each even-numbered year and the terms of three directors expiring on the second Tuesday in January of each odd-numbered year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7805.052. QUALIFICATIONS FOR OFFICE. A director must own land in the district or be a resident of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7805.053. DIRECTOR'S BOND. As soon as possible after appointment, each director shall qualify for office and execute a sufficient bond in the amount of $5,000 that is:

(1) payable to the district; and
(2) conditioned on the faithful performance of the director's duties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.
Sec. 7805.054. QUORUM; VOTE REQUIRED. A quorum consists of three directors. An action or recommendation of the board requiring a vote of the board is not valid unless:

1. the action or recommendation is approved by a record vote taken at a meeting of the board with a quorum present; and
2. the action or recommendation receives at least three affirmative votes by board members.

Added by Acts 2017, 85th Leg., R.S., Ch. 322 (H.B. 2064), Sec. 1, eff. June 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7805.101. GENERAL DISTRICT POWERS. The district has the rights, powers, purposes, and functions provided by Chapter 7803 of this code and Chapter 49, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7805.102. CONFLICTS OF LAW. (a) If a provision of Chapter 7803 is in conflict or inconsistent with this chapter, this chapter controls.

(b) The provisions of Chapter 7803 not in conflict or inconsistent with this chapter continue in effect.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7805.103. PROHIBITION OF POLICE AND FIREFIGHTING FUNCTIONS. The district may not:

1. engage in any police or firefighting functions; or
2. spend any district money or issue bonds for any police or firefighting function.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.
SUBCHAPTER D. BONDS AND TAXES

Sec. 7805.151. AUTHORITY TO ISSUE BONDS; TAXES FOR BONDS. (a) The district may issue and sell all unissued bonds that have been authorized at an election held in the district.

(b) The district may impose an ad valorem tax on all taxable property in the district to pay the principal of and interest on the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7805.152. ASSUMPTION OF INDEBTEDNESS, CONTRACTS. The district shall assume and be responsible for all outstanding indebtedness and existing contracts.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7805.153. PREVIOUSLY AUTHORIZED MAINTENANCE TAXES. The district may impose a maintenance tax that has been previously authorized at an election held in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

Sec. 7805.154. REFUNDING BOND ELECTION. (a) The district may refund any outstanding bonds with the approval of district voters voting at an election held by the district.

(b) The election shall be held as provided by Chapter 7803. The ballot shall:

(1) be printed to provide for voting for or against the proposition: "For the issuance of refunding bonds and the levy of taxes in payment of those bonds.""; and

(2) state the maximum interest rate and maturity applicable to the refunding bonds.

(c) The rate and maturity may exceed the maximum rate and maturity applicable to any outstanding bonds being refunded.
Sec. 7805.155.  BOND ANTICIPATION NOTES.  (a) In addition to all other methods of acquiring funds for district purposes, the district may issue bond anticipation notes for any purpose for which district bonds have been voted or may be issued to refund outstanding bond anticipation notes and the interest on the notes being refunded.
(b) The notes may bear interest at any rate not to exceed the maximum interest rate applicable to the district's authorized bonds.
(c) The notes shall mature within one year of the date on which they are issued.
(d) The maximum amount of the notes outstanding at any one time may not exceed $500,000 without the prior consent of the City of Irving, Texas.
(e) The district shall pay the notes only from the proceeds of the sale of bonds by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.02, eff. April 1, 2015.

CHAPTER 7806.  NORTHWEST DALLAS COUNTY FLOOD CONTROL DISTRICT
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 7806.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Northwest Dallas County Flood Control District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.002.  NATURE OF DISTRICT; POLITICAL SUBDIVISION.  The district is:
(1) a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution; and
(2) a political subdivision of this state.
Sec. 7806.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district's boundaries will benefit from the works and projects of the district.

(c) The creation of the district will accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 7806.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 472, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

(1) Section 7806.103 of this chapter or its predecessor statute, former Section 14, Chapter 472, Acts of the 69th Legislature, Regular Session, 1985;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries of the district form a closure. A mistake in the description of the district's boundaries does not affect:

(1) the district's organization, existence, or validity; or

(2) the exercise of a power, function, or purpose under this chapter.
Sec. 7806.052. ELIGIBILITY. To serve as a director, a person must:

(1) own taxable property in the district; or
(2) be a resident of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.053. BOARD VACANCY. A vacancy on the board shall be filled by the remaining directors for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.054. OFFICERS. (a) The board shall elect a president, a vice president, and a secretary-treasurer at the first board meeting after each directors' election.

(b) The secretary-treasurer:

(1) is the custodian of district records; and
(2) shall attest to all legal documents executed by the district.

(c) The board may employ an assistant secretary to act in the absence of the secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.055. COMPENSATION. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director is entitled to receive $50 for each day the director is actually engaged in duties for the district, but not more than $200 in any month.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.056. MEETINGS. (a) The board shall:
(1) establish a regular meeting time and place; and
(2) publish notice of the meeting time and place in a newspaper with general circulation in the district.

(b) The board by order may change the meeting time and place if the board gives notice as provided by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7806.101. LEVEE IMPROVEMENT DISTRICT POWERS. The district may exercise all of the rights, powers, privileges, and functions conferred or imposed by the general law of this state applicable to a levee improvement district created under Section 59, Article XVI, Texas Constitution, including those provided by Chapters 49 and 57, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.102. RECLAMATION AND DRAINAGE. (a) The district may purchase, acquire, construct, own, operate, maintain, repair, rebuild, add to, and make improvements to any works, materials, facilities, plants, equipment, and improvements necessary, helpful, or incident to the reclamation of land in the district and for the proper drainage of land in the district.

(b) To accomplish the purposes of Subsection (a), the district may issue bonds and notes, enter into contracts, or incur obligations in the manner provided by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.103. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land to or may, before holding a bond election, exclude land from the district in accordance with Subchapter J, Chapter 49, or Subchapter H, Chapter 54, Water Code.

(b) The district is not required to hold an exclusion hearing
unless the board determines the hearing should be held.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.104. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the powers granted under this chapter makes necessary the relocating, raising, rerouting, changing the grade of, or altering the construction of any highway, railroad, electric transmission or distribution line, pipeline, or telephone or telegraph properties or facilities, the district shall pay all of the actual cost of:

(1) the relocating, raising, rerouting, changing in grade, or altering of construction; and

(2) providing comparable replacement of facilities without enhancement, less the net salvage value of the facilities.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.105. DISTRICT ELECTIONS. (a) Notice of an election must be published once a week for two consecutive weeks in a newspaper with general circulation in the district, with the first publication occurring at least 14 days before the date of the election.

(b) A bond or maintenance tax election may be held at the same time.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7806.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02,
Sec. 7806.152. TAX ASSESSMENT AND COLLECTION. The district may:

(1) employ a tax collector; or
(2) contract with any qualified person to assess and collect taxes for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.153. DEPOSITORY. The board may select one or more depositories.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.154. INVESTMENT OF DISTRICT MONEY. District money may be invested by the board or the board's designee under Subchapter E, Chapter 49, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7806.155. EXPENDITURES. An expenditure of the district must be made by check signed by two directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

SUBCHAPTER E. BONDS
Sec. 7806.201. AUTHORITY TO ISSUE BONDS. (a) The board may issue bonds or notes of the district for any authorized purpose or combination of purposes under Chapter 54, Water Code.

(b) Sections 49.181 and 49.182, Water Code, do not apply to the district.
Sec. 7806.202. ELECTION REQUIRED. The district may not issue bonds, except refunding bonds, secured wholly or partly by the imposition of ad valorem taxes unless the issuance is authorized by a majority of the district voters voting at an election called for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

CHAPTER 7807. VALWOOD IMPROVEMENT AUTHORITY OF DALLAS COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7807.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Valwood Improvement Authority of Dallas County, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.002. NATURE OF DISTRICT. The district is a conservation and reclamation district established under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.003. DISSOLUTION AND ABOLITION OF DISTRICT. The Cities of Carrollton and Farmers Branch, and any other municipality in which the district is located, may dissolve and abolish the district at the municipalities' discretion on written notice of the dissolution and abolition to the board, in the same manner and on the same terms and obligations as prescribed by Section 43.076, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.
Sec. 7807.004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect the purposes, powers, rights, and functions stated in this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 7807.051. COMPOSITION OF BOARD; TERMS. (a) The board consists of seven directors.

(b) Directors serve staggered two-year terms and are appointed as follows:

(1) the Commissioners Court of Dallas County shall appoint one director to a term expiring each even-numbered year;

(2) the city council of the City of Carrollton shall appoint one director to a term expiring each even-numbered year and two directors to terms expiring each odd-numbered year; and

(3) the city council of the City of Farmers Branch shall appoint one director to a term expiring each even-numbered year and two directors to terms expiring each odd-numbered year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.052. QUALIFICATIONS FOR OFFICE. (a) A director must own land in the district subject to taxation at the time the person qualifies for office.

(b) Each director must be fully qualified to serve as director before taking office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.053. DIRECTOR'S BOND. (a) Each director shall
qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The bond must be:
   (1) approved by the board; and
   (2) recorded in the official bond records of the county clerk of Dallas County.

(c) Each director shall file the bond as soon as practicable after the director's appointment.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.054. BOARD VACANCY. (a) Except as provided by Subsection (b) or (c), a vacancy on the board shall be filled by appointment to the unexpired term by the governing body that appointed the director in whose position a vacancy exists.

(b) If under Subsection (a) the governing body does not fill a vacancy within 60 days after the date the position became vacant, the unexpired term of the position shall be filled by appointment by the remaining directors. The Commissioners Court of Dallas County, after consulting with the Cities of Carrollton and Farmers Branch, shall appoint directors to fill all vacancies on the board when the number of directors is fewer than four.

(c) If any director ceases to possess the qualifications prescribed by Section 7807.052, the remaining directors shall declare the person's office vacant and appoint a successor.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.055. OFFICERS AND ASSISTANTS. (a) The board shall annually elect a president, one or more vice presidents, a secretary, and a treasurer.

(b) The board may appoint one or more assistant secretaries and an assistant treasurer. An assistant secretary or assistant treasurer is not required to be a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.
Sec. 7807.056. SECRETARY'S DUTIES. The board secretary or an assistant secretary shall keep the minutes of the board meetings and all official records of the board and may certify to any action the board takes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.057. COMPENSATION. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director shall receive a per diem payment of $50, not to exceed a maximum payment of $200 per month.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.058. BOARD PROCEDURES. The board shall designate the proper execution of all contracts, signing of checks, or handling of any other matters entered into by the board as shown in the district's official minutes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.059. MEETING PLACE. (a) The board shall designate a meeting place or places.

(b) Any meeting place of the district is a public place for matters pertaining to the district's business.

(c) The board shall give notice of the meeting place and of any changes in the meeting place by publishing the location in a newspaper of general circulation in Dallas County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 7807.101.  LEVEE IMPROVEMENT DISTRICT POWERS.  (a) The district has all of the rights, powers, privileges, and functions provided by the general law of this state applicable to a levee improvement district created under the authority of Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 57, Water Code.

(b) In the accomplishment of the district's purposes, the district may issue bonds, enter into contracts, or incur debt in the manner prescribed by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.102.  EXCLUSION OR ANNEXATION OF LAND.  (a) The board may exclude land from the district or add land to the district in accordance with Subchapter J, Chapter 49, or Subchapter H, Chapter 54, Water Code.

(b) Land may not be added to the district until the board has obtained the written consent of the Cities of Carrollton and Farmers Branch to approve any petition for annexation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.103.  EMINENT DOMAIN.  (a) The district may exercise the power of eminent domain provided by Chapter 49, Water Code.

(b) The district may not exercise the power of eminent domain without first obtaining the approval of any municipality in which the subject property is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.104.  COST OF RELOCATING OR ALTERING PROPERTY.  (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing
comparable replacement without enhancement of the facility, after
deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of its power of eminent domain,
police power, or any other power conferred by this chapter makes
necessary the relocation, raising, lowering, rerouting, changing the
grade, or alteration of the construction of a railroad, an electric
transmission, telegraph, or telephone line, property, or facility, or
a pipeline, the necessary action shall be accomplished at the sole
expense of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02,
eff. April 1, 2013.

Sec. 7807.105. CONTRACTS FOR FACILITIES AND IMPROVEMENTS;
ELECTION NOT REQUIRED. (a) The district may enter into a contract
with the United States, the City of Carrollton, the City of Farmers
Branch, another public body, or an individual, corporation, or other
entity for the operation and maintenance of or construction of any
facility or improvement authorized by this chapter.

(b) The district is not required to hold an election to approve
a contract described by Subsection (a).

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02,
eff. April 1, 2013.

Sec. 7807.106. CONSTRUCTION CONTRACTS: MUNICIPAL APPROVAL
REQUIRED. Plans and specifications for a construction contract must
be approved, before the contract is awarded, by any municipality in
which the improvements or facilities are to be constructed.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02,
eff. April 1, 2013.

Sec. 7807.107. CONSTRUCTION CONTRACTS: AWARD. (a) The board
shall award all construction contracts.

(b) The board may award contracts to construct improvements
included in the approved plan of reclamation for the district at the
times and in the amounts that the board considers in the best
interest of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.108. CONSTRUCTION CONTRACTS: EXECUTION AND AVAILABILITY. (a) A contract under Section 7807.107 must be in writing and be signed by:

(1) the contractor; and

(2) the president and secretary of the board.

(b) A copy of each construction contract shall be kept in the district's records and be subject to public inspection.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.109. CONSTRUCTION CONTRACTS: PAYMENT. (a) A contract under Section 7807.107 may be paid for in partial payments as the work progresses, based on estimates approved by the district's engineer.

(b) The payments may not exceed 90 percent of the amount due at the time of such payments as shown by approved estimates, except that on certification by the district's engineer that the project is substantially complete, the board may authorize payment of not to exceed 95 percent of the amount due at the time of such certification before the acceptance of the job and the certificate of completion of the job.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.110. FLOOD HAZARD AREAS. (a) The board shall designate flood hazard areas in the district if the board finds that the public health and safety and the purposes of Section 59, Article XVI, Texas Constitution, will be promoted by the designation.

(b) The area to be included in a flood hazard area shall be described by field notes, map, or both.

(c) Before designating a flood hazard area, the board shall
hold a public hearing. The board must publish notice of the hearing in a newspaper having general circulation in Dallas County at least 15 days before the hearing. Any interested person is entitled to an opportunity to be heard.

(d) The board may, following notice and a hearing as required by Subsection (c), amend the designated flood hazard areas as necessary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.111. SETBACK LINES. (a) The board shall establish building setback lines along any waterway in the boundaries of the district if the board finds the setback lines are needed to protect the public health and safety and to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) After the establishment of building setback lines, no structure may be erected within the setback lines. In any subsequent eminent domain proceeding instituted by the district to acquire the area within the setback lines, it shall constitute prima facie showing that the person erecting the structure did so at the person's own risk with knowledge of:

(1) the fact that erecting the structure interfered with the district's setback provisions; and

(2) the district's right to remove the structure erected after the establishment of the setback lines without payment of the value of the structure.

(c) The area included within the building setback lines shall be described by field notes, map or plat, or both. A certified copy of the description shall be filed for record immediately with the county clerk of Dallas County.

(d) Before establishing building setback lines, the board shall hold a public hearing. The board must:

(1) publish notice of the hearing in a newspaper having general circulation in Dallas County at least 15 days before the hearing; and

(2) mail notice of the hearing to the latest available address for each landowner affected by the proposed setback lines.

(e) After establishing building setback lines, the board may,
following notice and a hearing as required by Subsection (d), amend or grant exceptions to the setback lines.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.112. DISTRICT ELECTIONS. (a) The board shall order each election the district is required to hold.

(b) Notice of a district election must be published once a week for two consecutive weeks in a newspaper with general circulation in Dallas County, with the first publication occurring at least 14 days before the date of the election.

(c) A district election may be held separately or at the same time as an election for another purpose, including a maintenance tax election that may be held on the same day as a bond election. An election held at the same time as an election for another purpose may be ordered by the board in a single election order, and the results may be canvassed in a single order.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7807.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) Subchapter G, Chapter 54, Water Code, applies to all matters relating to the imposition of district taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.152. TAX ASSESSOR AND COLLECTOR. (a) The board shall appoint a tax assessor and collector and may appoint deputies that the board considers necessary.

(b) The tax assessor and collector and each deputy shall qualify by executing a bond for $10,000 conditioned on the faithful performance of the person's duties. The bond must be payable to the district and approved by the board.
(c) The board shall set the compensation of the tax assessor and collector and any deputies.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.153. DEPOSITORY. (a) The district's treasurer shall see that all district money is deposited in the depository bank or banks designated by the board as the official depository of the district.

(b) To the extent that money in the depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.154. INVESTMENT OF DISTRICT MONEY. District money may be invested by the board, the treasurer, or another qualified representative of the district in direct or indirect obligations of the United States, the state, or any political subdivision of the state, or may be placed in certificates of deposit of state or national banks or savings and loan associations in this state, if that money is secured in the manner provided for the security of county funds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

**SUBCHAPTER E. BONDS**

Sec. 7807.201. AUTHORITY TO ISSUE BONDS. The board may issue district tax bonds to acquire money to carry out any power or accomplish any purpose conferred by this chapter. The bonds may be authorized by a board order.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.
Sec. 7807.202. FORM OF BONDS. District bonds shall be signed and executed as provided by the board in the order authorizing the issuance of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.203. MATURITY. District bonds must mature not later than 40 years after their date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.204. ELECTION REQUIRED. (a) Bonds, other than refunding bonds, may not be issued unless authorized by a majority of the votes cast in an election held to determine whether the bonds should be issued and whether a tax should be imposed to pay the principal of and interest on the bonds.

(b) The board may order and provide notice of an election under this section.

(c) In addition to other requirements, the ballot shall be printed to provide for voting for or against the proposition: "The issuance of bonds and the imposition of a tax in payment thereof."

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

Sec. 7807.205. USE OF BOND PROCEEDS. (a) The board may set aside part of the bond proceeds to:

(1) pay interest on the bonds and administrative and operational expenses expected to accrue during the period of construction of the improvements or facilities; and

(2) create reserves for the payment of the principal of and interest on the bonds.

(b) For purposes of Subsection (a), the period of construction may not exceed two years.
Sec. 7807.206. TAXES FOR BONDS. The board of directors may impose continuing direct annual ad valorem taxes on all taxable property in the district sufficient to:

1. provide for the payment of interest on bonds issued under this subchapter as the interest accrues; and
2. create and provide a sinking fund for the payment of principal of the bonds as the principal matures.

Sec. 7807.207. BOND ANTICIPATION NOTES AND PRELIMINARY BONDS. (a) The district may issue either bond anticipation notes or preliminary bonds, which need not be designated as such, to provide a fund to pay:

1. the cost of making surveys and investigations, attorneys' fees, and engineers' work;
2. the cost of issuing bonds; and
3. all other costs and expenses incident to the organization of the district and the district's operation in investigating and determining plans for the district's plant and improvements.

(b) Preliminary bonds shall be voted and authorized in the manner and under the same provisions applicable to the district's construction bonds and shall be of equal dignity with those construction bonds.

(c) The district may issue bond anticipation notes as provided by Section 49.154(c), Water Code. These notes shall be sold on the best terms and for the best price possible.

Sec. 7807.208. REFUNDING BONDS. (a) The board may issue refunding bonds to refund or refinance all or part of the district's
outstanding bonds and matured but unpaid interest coupons.

(b) District refunding bonds must mature not later than 40 years after their date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.02, eff. April 1, 2013.

CHAPTER 7808. FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7
SUBCHAPTER A. GENERAL PROVISIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4712, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7808.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Fort Bend County Levee Improvement District No. 7.
(3) "Project" means a facility, improvement, appliance, appurtenance, land, interest in property, participation right, contract right, practice, technique, or technology that:
   (A) facilitates the recycling and reuse of water, wastewater effluent, or other water or wastewater by-product; and
   (B) results in additional water supplies for future or alternative uses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 824 (S.B. 1854), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. PROJECT POWERS AND DUTIES

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4712, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7808.151. ACQUISITION OF PROJECT. The district may acquire a project, including by purchase or lease.

Added by Acts 2013, 83rd Leg., R.S., Ch. 824 (S.B. 1854), Sec. 1, eff. June 14, 2013.
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4712, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7808.152. CONSTRUCTION, MAINTENANCE, AND OPERATION OF PROJECT. The district may construct, rehabilitate, repair, improve, enlarge, operate, and maintain a project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 824 (S.B. 1854), Sec. 1, eff. June 14, 2013.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4712, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7808.153. DELIVERY METHOD. The district may use alternative delivery methods under Chapter 2267, Government Code, as added by Chapter 1129 (H.B. 628), Acts of the 82nd Legislature, Regular Session, 2011, for a project, in addition to any method provided by Chapters 49 and 57, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 824 (S.B. 1854), Sec. 1, eff. June 14, 2013.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4712, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7808.154. CONVEYANCE OF PROJECT. If the board considers the terms appropriate and favorable to the district, the district may convey a project to a:

(1) municipality in whose extraterritorial jurisdiction all or part of the district is located; or

(2) political subdivision located wholly or partly in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 824 (S.B. 1854), Sec. 1, eff. June 14, 2013.
publication of the current statutes, see H.B. 4712, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7808.155. USE OF PROJECT WATER. If the board considers the terms appropriate and favorable to the district, the district may:

1. use the water from a project; or
2. sell or otherwise provide the water to:
   (A) a homeowners' or property owners' association located in the district; or
   (B) with the prior consent of a municipality described by Section 7808.154(1), any person located in the extraterritorial jurisdiction of that municipality, including a political subdivision, private entity, and individual.

Added by Acts 2013, 83rd Leg., R.S., Ch. 824 (S.B. 1854), Sec. 1, eff. June 14, 2013.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4712, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7808.156. PROJECT FINANCING. The district may finance a project with property taxes, mandatory fees, or voluntary contributions.

Added by Acts 2013, 83rd Leg., R.S., Ch. 824 (S.B. 1854), Sec. 1, eff. June 14, 2013.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4712, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7808.157. PROJECT BONDS. The district may issue bonds or other obligations for a project in the manner provided by Subchapter G, Chapter 57, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 824 (S.B. 1854), Sec. 1, eff. June 14, 2013.
Sec. 7808.158. JOINT PROJECT. The district may act jointly in regard to a project under an agreement or contract with any person, including a political subdivision, private entity, or individual.

Added by Acts 2013, 83rd Leg., R.S., Ch. 824 (S.B. 1854), Sec. 1, eff. June 14, 2013.

Sec. 7808.159. MUNICIPAL APPROVAL. (a) The plans and specifications for the construction or modification of a project are subject to:

(1) the review and approval of any municipality in whose extraterritorial jurisdiction all or part of the district is located; and

(2) any ordinance, regulation, or standard criteria a municipality described by Subdivision (1) may adopt relating to the construction or operation of similar projects in its corporate limits or extraterritorial jurisdiction.

(b) The approval required by Subsection (a) must be in the form of an ordinance or resolution adopted by the governing body of the municipality. Approval for subsequent modifications, extensions, or repairs of a project may be given in the manner the municipality customarily uses for other water supply improvements in its corporate limits or extraterritorial jurisdiction.

Added by Acts 2013, 83rd Leg., R.S., Ch. 824 (S.B. 1854), Sec. 1, eff. June 14, 2013.

CHAPTER 7811. DALLAS COUNTY FLOOD CONTROL DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7811.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Constituent municipality" means the City of Grand
Sec. 7811.002. NATURE OF DISTRICT. The district is a conservation and reclamation district established under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) The land and other property included in the district will benefit from the works and projects accomplished by the district and by the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation and operation of the district is essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.004. DISTRICT TERRITORY. (a) The district is composed of the territory located within the redefined boundaries of the district as filed in the deed records of Dallas County, Texas, on August 29, 1983, as amended by Sections 2(b) and (d), Chapter 1081, Acts of the 68th Legislature, Regular Session, 1983, as that territory may have been modified under:

(1) Section 7811.005 of this chapter or its predecessor statute, former Section 13, Chapter 1081, Acts of the 68th Legislature, Regular Session, 1983;

(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legal operation of the district or its governing body.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.005. ANNEXATION OF LAND. Before the annexation of land within the corporate limits of a constituent municipality, the district must obtain the approval of the municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7811.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board consisting of five appointed directors. The City of Irving appoints three directors and the City of Grand Prairie appoints two directors.

(b) Directors serve two-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.052. ELIGIBILITY FOR OFFICE. A director must own land in the district subject to taxation at the time the director qualifies for office.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.
Sec. 7811.053. DIRECTOR'S BOND. (a) A director shall execute a bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The bond must be filed in the office of the county clerk of Dallas County.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.054. BOARD VACANCY. (a) If a director dies, resigns, or ceases to possess the qualifications required for office, the board shall declare the person's office vacant.

(b) The constituent municipality that appointed the director whose position is vacant shall appoint a successor to fill the unexpired term.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.055. BOARD PRESIDENT; ABSENCE OF BOARD PRESIDENT. (a) The board may authorize the board's president to sign all orders or take other action.

(b) Any order adopted or action taken at a board meeting at which the board's president is absent may be signed by the board's vice president, or the board may authorize the president to sign the order or action at a later time.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.056. SECRETARY'S DUTIES. The board secretary shall keep accurate minutes and shall certify any action taken by the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.
Sec. 7811.057. TREASURER. (a) The board may appoint a district treasurer.

(b) The district treasurer shall execute a bond in an amount determined by the board payable to the district and conditioned on the faithful performance of the treasurer's duties.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.058. COMPENSATION OF DIRECTORS. (a) A director is entitled to receive $25 for each day spent performing district work, not to exceed $200 per month.

(b) In all areas of conflict with Subsection (a) of this section, Section 49.060, Water Code, takes precedence.

(c) A director's compensation may be increased as authorized by Section 49.060, Water Code, by resolution adopted by the board in accordance with Subsection (e) of that section on or after September 1, 1995.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.059. VOTE REQUIRED FOR OFFICIAL BOARD ACTION. An official action of the board is not valid without the affirmative vote of a majority of the directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.060. DESIGNATION OF DIRECTOR TO ACT ON DISTRICT'S BEHALF. The board may designate one or more directors to execute on behalf of the district all contracts, including a construction contract, sign checks, or handle any other matter entered into by the board as shown in the district's official minutes.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03,
Sec. 7811.061. DISTRICT OFFICE. (a) The board shall establish and maintain a district office inside the district.

(b) The board may establish a second district office outside the district.

(c) A district office may be a private residence or office and that residence or office is a public place for matters relating to the district's business.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.062. RECORDS. The board shall keep the district's records open to public inspection at reasonable times at the district's principal office.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7811.101. GENERAL POWERS AND DUTIES. (a) The district may exercise the rights, powers, privileges, and functions provided by Section 59, Article XVI, Texas Constitution, Chapters 49 and 57, Water Code, and this chapter.

(b) The district may construct and maintain levees and other improvements on, along, and contiguous to rivers, creeks, streams, and drainage courses for the purposes of:

(1) reclaiming land from overflow from that water;
(2) controlling and distributing the water of rivers and streams by straightening and improving the rivers and streams;
(3) draining and improving the land; and
(4) preventing the pollution of the water.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.
Sec. 7811.102. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain in Dallas County to acquire the fee simple title to or an easement or right-of-way to, over, or through any land, water, or land under water inside or outside the district that has a direct effect on the accomplishment of the purposes for which the district is created and is necessary for constructing and maintaining all levees and other improvements for the improvement of rivers, creeks, streams, or drainage courses in the district or bordering the district and to prevent overflows.

(b) The district may not exercise the power of eminent domain under Subsection (a) to acquire land or other property that is used for cemetery purposes.

(c) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(d) The district may not exercise the power of eminent domain within the corporate limits of a constituent municipality without the prior approval by resolution of the governing body of the municipality.

(e) The district's authority under this section to exercise the power of eminent domain expired on September 1, 2013, unless the district submitted a letter to the comptroller in accordance with Section 2206.101(b), Government Code, not later than December 31, 2012.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.103. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) to provide comparable replacement without enhancement of the facility, after deducting the net salvage value of the old facility.

(b) If the district's exercise of its power of eminent domain makes necessary relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission or distribution line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district unless the owner of
the relocated or altered facility has a legal obligation to pay those expenses.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.104. CONTRACTS FOR FACILITIES AND IMPROVEMENTS; ELECTION NOT REQUIRED. (a) The district may enter into a contract with a person for the maintenance or construction of any facility or improvement authorized by this chapter.

(b) The district may enter into a contract under Subsection (a) without:

(1) voting for the issuance of bonds; or
(2) holding an election to approve the contract.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.105. PROHIBITED FUNCTIONS. The district may not:

(1) engage in any park, water service, wastewater service, police, or firefighting function; or
(2) spend any district money or issue bonds for any function described by Subdivision (1).

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.106. STANDARDS FOR ROAD, STREET, OR UTILITY CONSTRUCTION. Any road, street, or utility construction by the district begun on or after August 31, 1987, within the corporate limits of a constituent municipality must comply with the standards for construction adopted by the municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.107. APPROVAL OF RECLAMATION PLAN, AMENDMENT, OR
PROJECT. In addition to any other requirements in this chapter, a reclamation plan adopted by the district, an amendment to a reclamation plan, or a project of the district that is not included in a reclamation plan must be approved by both constituent municipalities before the plan, amendment, or project takes effect.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

SUBCHAPTER D. TAX ABATEMENT IN REINVESTMENT ZONE

Sec. 7811.151. DESIGNATION OF REINVESTMENT ZONE. (a) The district by resolution may designate as a reinvestment zone an area or real or personal property in the taxing jurisdiction of the district that the board finds satisfies the requirements of Section 7811.152. The board must find that the proposed commercial-industrial or residential project or projects meet the criteria prescribed by Section 7811.152.

(b) The resolution must describe the boundaries of the zone and the eligibility of the zone for commercial-industrial or residential tax abatement.

(c) The area of a reinvestment zone designated for commercial-industrial or residential tax abatement may be included in an overlapping or coincidental commercial-industrial or residential zone established under Chapter 312, Tax Code.

(d) The district may not adopt a resolution designating an area as a reinvestment zone until the district has held a public hearing on the designation and has found that the improvements sought are feasible and practical and would be a benefit to the land to be included in the zone and to the district after the expiration of an agreement entered into under Section 7811.154 or 7811.155. At the hearing, interested persons are entitled to speak and present evidence for or against the designation. Not later than the seventh day before the date of the hearing, notice of the hearing must be:

(1) published in a newspaper having general circulation in the district; and

(2) delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone.
(e) A notice made under Subsection (d)(2) is presumed delivered when placed in the mail postage paid and properly addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the sender is considered to have been delivered to the addressee.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.152. CRITERIA FOR REINVESTMENT ZONE. To be designated as a reinvestment zone under this subchapter, an area must be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.153. EXPIRATION OF REINVESTMENT ZONE. The designation of a reinvestment zone for commercial-industrial or residential tax abatement expires five years after the date of the designation and may be renewed for periods not to exceed five years. The expiration of the designation does not affect an existing tax abatement agreement governed by this subchapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.154. TAX ABATEMENT AGREEMENT. (a) The district may enter into a tax abatement agreement by agreeing, in writing, with the owner of taxable real property that is located in a reinvestment zone to exempt from taxation a portion of the value of the real property or of tangible personal property located on the real property, or both, for a period not to exceed 30 years, on the condition that the owner of the property make specific improvements or repairs to the property.
(b) The real property covered by the agreement may not be located in an improvement project financed by tax increment bonds.

(c) The agreement is subject to the rights of holders of outstanding bonds of the district.

(d) The agreement may:

(1) provide for the exemption of the real property in each year covered by the agreement only to the extent its value for that year exceeds its value for the year in which the agreement is executed;

(2) provide for the exemption of tangible personal property located on the real property in each year covered by the agreement other than tangible personal property that was located on the real property at any time before the period covered by the agreement with the district; and

(3) cover more than one commercial-industrial or residential project.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.155. TAX ABATEMENT AGREEMENT: CERTIFICATED AIR CARRIER. (a) The district may enter into a tax abatement agreement by agreeing, in writing, with the owner or lessee of real property that is located in a reinvestment zone to exempt from taxation for a period not to exceed 30 years a portion of the value of the real property or of personal property, or both, located in the zone and owned or leased by a certificated air carrier on the condition that the certificated air carrier:

(1) make specific real property improvements; or
(2) lease, for a term of 30 years or more, real property improvements located in the reinvestment zone.

(b) The agreement may provide for the exemption of the:

(1) real property in each year covered by the agreement to the extent its value for that year exceeds its value for the year in which the agreement is executed; and

(2) personal property owned or leased by a certificated air carrier located in the reinvestment zone in each year covered by the agreement other than specific personal property that was located in the reinvestment zone at any time before the period covered by the
agreement with the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.156. TAX ABATEMENT AGREEMENT REQUIREMENTS. (a) This section applies to an agreement made under Section 7811.154 or 7811.155.

(b) The agreement must:
   (1) list the kind, number, and location of all proposed improvements of the property; and
   (2) provide for:
      (A) the availability of tax abatement for both new facilities and structures and for the expansion or modernization of existing facilities and structures; and
      (B) recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement.

(c) A tax abatement agreement is not required to contain terms identical to another tax abatement agreement that covers the same exempted property or a portion of that property.

(d) Property that is in a reinvestment zone and that is owned or leased by a director is excluded from property tax abatement.

(e) The agreement may include, at the option of the district, provisions for maps showing existing uses and conditions and proposed improvements and uses of real property in the reinvestment zone.

(f) On approval by the district, the agreement may be executed in the same manner as other contracts made by the district.

(g) The agreement applies only to taxes levied by the district and does not affect other taxing units that levy taxes on property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.157. NOTICE OF TAX ABATEMENT AGREEMENT TO OTHER TAXING UNITS. (a) Not later than the seventh day before the date on which the district enters into an agreement under Section 7811.154 or 7811.155, the board or a designated officer or employee of the
district shall deliver a written notice that the district intends to enter into the agreement to the Texas Commission on Environmental Quality and to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located. The notice must include a copy of the proposed agreement.

(b) A notice is presumed delivered when placed in the mail postage paid and properly addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the sender is considered to have been delivered to the addressee.

(c) Failure to deliver the notice does not affect the validity of the agreement.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.158. MODIFICATION OR TERMINATION OF TAX ABATEMENT AGREEMENT. (a) At any time before the expiration of an agreement governed by this subchapter, the agreement may be modified by the parties to the agreement to include other provisions that could have been included in the original agreement or to delete provisions that were not necessary to the original agreement. The modification must be made by the same procedure by which the original agreement was approved and executed. The original agreement may not be modified to extend beyond 30 years from the date of the original agreement.

(b) An agreement governed by this subchapter may be terminated by the mutual consent of the parties in the same manner that the agreement was approved and executed.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.159. REGISTRY OF REINVESTMENT ZONES AND TAX ABATEMENT AGREEMENTS; ASSISTANCE TO DISTRICT. (a) The Texas Economic Development and Tourism Office shall maintain a central registry of reinvestment zones governed by this subchapter and of ad valorem tax abatement agreements executed under this subchapter. Before April 1 of the year following the year in which the zone is designated or the
agreement is executed, the district shall deliver to the office, the comptroller, and the Texas Commission on Environmental Quality a report that provides:

(1) for a reinvestment zone, a general description of the zone, including its size, the types of property located in it, and its duration; and

(2) for a tax abatement agreement, the parties to the agreement, a general description of the property and the improvements or repairs to be made under the agreement, the portion of the property to be exempted, and the duration of the agreement.

(b) On the request of the board or the board's president, the office may provide assistance to the district relating to the administration of this subchapter, including the designation of reinvestment zones and the adoption of tax abatement agreements.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.160. PROPERTIES THAT MAY BE INCLUDED IN TAX ABATEMENT AGREEMENT. (a) The district may include in a tax abatement agreement:

(1) facilities and structures for which construction began on or after October 1, 1990, but before June 10, 1991;

(2) existing facilities and structures for which expansion or modernization construction began on or after October 1, 1990, but before June 10, 1991; and

(3) tangible personal property located on property described by Subdivision (1) or (2) in each year covered by the agreement, other than tangible personal property that was located on the property at any time before the time period covered by the agreement.

(b) A tax abatement agreement made under this section may be based on the value of the property on January 1 of the year in which the construction, expansion, or modernization of the property began.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.
Sec. 7811.201. DEPOSITORY. (a) The board shall designate one or more banks to serve as the depository for district money.

(b) District money shall be deposited as received in a depository bank, other than money transmitted to a bank for payment of bonds issued by the district.

(c) If district money is deposited in a depository that is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.202. AUTHORITY TO ISSUE BONDS AND INCUR INDEBTEDNESS. (a) The district may issue bonds and incur other indebtedness in the manner provided by Section 7803.113 and Subchapter E, Chapter 7803.

(b) The district shall file with both constituent municipalities a notice of intent to issue bonds or other indebtedness not later than the 20th day before the date of issuance. The notice must state the purpose for which the bonds or other indebtedness are issued and the approximate principal amount of the bonds or indebtedness.

(c) Before the district issues bonds or other indebtedness in an amount of more than $500,000, the district must obtain the approval by resolution of the governing bodies of both constituent municipalities.

(d) Bonds or other indebtedness may not be sold at discount from the principal amount without the prior approval of both constituent municipalities.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.

Sec. 7811.203. CONSTITUENT MUNICIPALITIES NOT OBLIGATED TO PAY DISTRICT OBLIGATIONS. This chapter does not authorize the lending or pledge of the credit of either constituent municipality to the bonds and other indebtedness of the district. The constituent municipalities are not obligated to pay any bonds, indebtedness, or other debt of the district.
Sec. 7811.204. BOND ANTICIPATION NOTES. (a) In addition to all other methods of acquiring money for district purposes, the district may issue bond anticipation notes for any purpose for which district bonds have been voted or may be issued to refund outstanding bond anticipation notes and the interest on the notes being refunded.  
(b) The notes may bear interest at any rate not to exceed the maximum interest rate applicable to the district's authorized bonds.  
(c) The maximum amount of the notes outstanding at any one time may not exceed $500,000 without the prior consent of both constituent municipalities.  
(d) The district shall pay the notes only from the proceeds of the sale of bonds by the district.

Sec. 7811.205. PREVIOUSLY AUTHORIZED MAINTENANCE TAXES. The district may impose a maintenance tax that has been previously authorized at an election held in the district.

SUBTITLE F. MUNICIPAL UTILITY DISTRICTS
CHAPTER 7903. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 538
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 7903.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.  
(2) "Commission" means the Texas Commission on Environmental Quality.  
(3) "Director" means a board member.  
(4) "District" means the Harris County Municipal Utility District No. 538.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.03, eff. April 1, 2019.
Sec. 7903.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7903.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7903.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7903.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Garner P. Strickland, IV;
(2) Cameron Franz;
(3) Jacob Baker;
(4) Andrew J. Clark, IV; and
(5) William R. Murphy, Jr.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7903.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7903.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7903.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.
Sec. 7903.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7903.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7903.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7903.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7903.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

Sec. 7903.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 906 (S.B. 2013), Sec. 1, eff. June 18, 2015.

CHAPTER 7904. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 539

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7904.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 539.
Sec. 7904.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

Sec. 7904.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

Sec. 7904.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7904.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

Sec. 7904.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7904.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter. 

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Sec. 7904.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors. 

(b) Except as provided by Section 7904.052, directors serve staggered four-year terms.

Sec. 7904.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition. 

(b) Temporary directors serve until the earlier of:
1. the date permanent directors are elected under Section
(c) If permanent directors have not been elected under Section 7904.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7904.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7904.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

Sec. 7904.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.
Sec. 7904.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

Sec. 7904.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

Sec. 7904.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 7904.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7904.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

Sec. 7904.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7904.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

Sec. 7904.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7904.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

Sec. 7904.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

Sec. 7904.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 904 (S.B. 2008), Sec. 1, eff. June 18, 2015.

CHAPTER 7906. MONTGOMERY–GRIMES COUNTIES MUNICIPAL UTILITY DISTRICT NO. 146

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7906.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Montgomery-Grimes Counties
Sec. 7906.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

Sec. 7906.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

Sec. 7906.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 7906.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) Municipal consent to the creation of the district and to the inclusion of land in the district granted under this section acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

Sec. 7906.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law
and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, improvement, operation, or
maintenance of macadamized, graveled, or paved roads, or
improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff.
September 1, 2015.

Sec. 7906.006. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act enacting this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process
does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest
on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff.
September 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7906.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five elected directors.
(b) Except as provided by Section 7906.052, directors serve
staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff.
September 1, 2015.

Sec. 7906.052. TEMPORARY DIRECTORS. (a) On or after September
1, 2015, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 7906.003; or
   (2) September 1, 2019.

(c) If permanent directors have not been elected under Section 7906.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 7906.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7906.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

Sec. 7906.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

Sec. 7906.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

Sec. 7906.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

Sec. 7906.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the
creation of the district or to the inclusion of land in the district.  
  (b) Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

Sec. 7906.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

  (1) has no outstanding bonded debt; and
  (2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7906.003 to confirm the creation of the district and before or after an election under Section 7906.151 to authorize the issuance of bonds.

(f) An order dividing the district must:

  (1) name each new district;
  (2) include the metes and bounds description of the territory of each new district;
  (3) appoint temporary directors for each new district; and
  (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by
Section 7906.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7906.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7906.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

Sec. 7906.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7906.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.
Sec. 7906.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7906.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

Sec. 7906.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

Sec. 7906.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 138 (H.B. 4153), Sec. 1, eff. September 1, 2015.

CHAPTER 7907. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 147
SUBCHAPTER A. GENERAL PROVISIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4649, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7907.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 147.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.
Sec. 7907.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7907.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7907.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 7907.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2015, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 7907.003; or
(2) September 1, 2019.
(c) If permanent directors have not been elected under Section 7907.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 7907.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 7907.101.  GENERAL POWERS AND DUTIES.  The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.102.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.  The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.103.  AUTHORITY FOR ROAD PROJECTS.  Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.104.  ROAD STANDARDS AND REQUIREMENTS.  (a)  A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b)  If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road
project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7907.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7907.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 7907.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7907.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

Sec. 7907.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 7907.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 907 (S.B. 2025), Sec. 1, eff. September 1, 2015.

CHAPTER 7908. CANYON FALLS MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7908.001. DEFINITION. In this chapter, "district" means the Canyon Falls Municipal Utility District No. 1 of Denton County.

Added by Acts 2015, 84th Leg., R.S., Ch. 384 (H.B. 2552), Sec. 1, eff. June 10, 2015.

Sec. 7908.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 384 (H.B. 2552), Sec. 1, eff. June 10, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7908.051. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 384 (H.B. 2552), Sec. 1, eff.
June 10, 2015.

Sec. 7908.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to
municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 384 (H.B. 2552), Sec. 1, eff.
June 10, 2015.

Sec. 7908.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52,
Article III, Texas Constitution, the district may design, acquire,
construct, finance, issue bonds for, improve, operate, maintain, and
convey to this state, a county, or a municipality for operation and
maintenance macadamized, graveled, or paved roads, or improvements,
including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 384 (H.B. 2552), Sec. 1, eff.
June 10, 2015.

Sec. 7908.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road
project must meet all applicable construction standards, zoning and
subdivision requirements, and regulations of each municipality in
whose corporate limits or extraterritorial jurisdiction the road
project is located.

(b) If a road project is not located in the corporate limits or
extraterritorial jurisdiction of a municipality, the road project
must meet all applicable construction standards, subdivision
requirements, and regulations of each county in which the road
project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications
of the road project.
Sec. 7908.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS.  (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7908.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 7908.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 540.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7910.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7910.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7910.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the
commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7910.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7910.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7910.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7910.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.
Sec. 7910.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7910.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 7910.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7910.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 7910.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7910.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

Sec. 7910.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 895 (S.B. 1002), Sec. 1, eff. June 18, 2015.

**CHAPTER 7911. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 545**

**SUBCHAPTER A. GENERAL PROVISIONS**
Sec. 7911.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 545.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7911.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7911.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7911.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.
Sec. 7911.052. TEMPORARY DIRECTORS.  (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7911.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7911.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7911.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7911.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.
Sec. 7911.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable
requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 7911.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7911.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7911.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7911.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.

Sec. 7911.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 894 (S.B. 1001), Sec. 1, eff. June 18, 2015.
CHAPTER 7912. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 141

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7912.001. DEFINITION. In this chapter, "district" means the Montgomery County Municipal Utility District No. 141.

Added by Acts 2015, 84th Leg., R.S., Ch. 136 (H.B. 4139), Sec. 1, eff. May 28, 2015.

Sec. 7912.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 136 (H.B. 4139), Sec. 1, eff. May 28, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7912.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 136 (H.B. 4139), Sec. 1, eff. May 28, 2015.

Sec. 7912.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 7912.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 136 (H.B. 4139), Sec. 1, eff. May 28, 2015.

Sec. 7912.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 136 (H.B. 4139), Sec. 1, eff. May 28, 2015.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7912.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7912.053.

(b) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 136 (H.B. 4139), Sec. 1, eff. May 28, 2015.

Sec. 7912.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 136 (H.B. 4139), Sec. 1, eff. May 28, 2015.

CHAPTER 7913. HIGHWAY 71 MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7913.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Highway 71 Municipal Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 669 (S.B. 2280), Sec. 2, eff. June 12, 2017.

Sec. 7913.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of: (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter. (b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's: (1) organization, existence, or validity; (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7913.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7913.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7913.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7913.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7913.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7913.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, and Section 53.029(c), Water Code, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and
subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.105. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with a municipality under Section 43.0751, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before
or after the date the board holds an election under Section 7913.003 to confirm the district's creation.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds of each new district;
   (3) appoint temporary directors for each new district or provide that the owner or owners of a majority of the assessed value of the real property in each new district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7913.003. A new district that is not confirmed is subject to dissolution under general law.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 7913.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
   (1) revenue other than ad valorem taxes; or
   (2) contract payments described by Section 7913.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7913.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

SUBCHAPTER E. ASSESSMENTS; APPLICABILITY OF IMPACT FEES AND ASSESSMENTS

Sec. 7913.201. PETITION REQUIRED FOR FINANCING RECREATIONAL FACILITIES AND IMPROVEMENTS WITH ASSESSMENTS. (a) Except as provided by this subchapter, the board may finance a recreational facility or improvement with assessments on property under this
subchapter, but only if:

(1) a written petition requesting that facility or improvement has been filed with the board; and

(2) the board holds a hearing on the proposed assessments.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.202. METHOD OF NOTICE FOR HEARING. The district shall mail notice of the hearing to each property owner in the district who will be subject to the assessment at the current address to be assessed as reflected on the tax rolls. The district may mail the notice by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.203. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) An assessment or a reassessment imposed under this subchapter by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(b) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.
(c) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.204. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 7913.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part
of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

SUBCHAPTER G. DEFINED AREAS

Sec. 7913.301. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.302. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the defined area or designated property, the board shall hold an election in the defined area or in the designated property only.

(b) The board may submit the issues to the voters on the same ballot to be used in another election.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.303. DECLARING RESULT AND ISSUING ORDER. (a) If a
majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.304. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 7913.303, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.305. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 7913.303 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

CHAPTER 7914. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7914.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Utility District No. 191.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7914.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7914.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7914.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the
commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7914.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7914.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7914.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7914.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI,
Sec. 7914.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.
Sec. 7914.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7914.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7914.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7914.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

Sec. 7914.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 137 (H.B. 4141), Sec. 1, eff. May 28, 2015.

**CHAPTER 7915. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 541**

**SUBCHAPTER A. GENERAL PROVISIONS**
Sec. 7915.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 541.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7915.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7915.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7915.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.
Sec. 7915.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 7915.003; or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7915.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 7915.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7915.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.
Sec. 7915.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable
requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 7915.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7915.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7915.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7915.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.

Sec. 7915.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 905 (S.B. 2009), Sec. 1, eff. June 18, 2015.
CHAPTER 7916.  HAYS COUNTY MUNICIPAL UTILITY DISTRICT NO. 7
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 7916.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Hays County Municipal Utility District No. 7.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.004.  CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7916.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff.
June 17, 2015.

Sec. 7916.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;

2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

3. right to impose a tax; or

4. legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7916.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7916.052, directors serve staggered four-year terms.
Sec. 7916.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7916.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7916.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7916.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7916.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 7916.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 7916.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7916.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 7916.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 7916.151. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the district:

(1) has never issued any bonds; and

(2) is not imposing ad valorem taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.153. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.154. DIVISION PROCEDURES. (a) The board, on its own
motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7916.003 to confirm the district's creation.

(c) An order dividing the district must:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between the new districts.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7916.003.

(b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.156. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.
Sec. 7916.157. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 7916.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 7916.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7916.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7916.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.
Sec. 7916.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 7916.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 670 (H.B. 4183), Sec. 1, eff. June 17, 2015.

Sec. 7916.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
CHAPTER 7917.  MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 7917.001.  DEFINITIONS.  In this chapter:

(1)  "Board" means the district's board of directors.

(2)  "Commission" means the Texas Commission on Environmental Quality.

(3)  "Director" means a board member.

(4)  "District" means the Montgomery County Municipal Utility District No. 149.

Sec. 7917.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7917.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7917.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 7917.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 7917.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7917.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Sec. 7917.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7917.052, directors serve staggered four-year terms.
Sec. 7917.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7917.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7917.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7917.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 494 (S.B. 2027), Sec. 1, eff. June 16, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7917.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 7917.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 494 (S.B. 2027), Sec. 1, eff. June 16, 2015.

Sec. 7917.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 494 (S.B. 2027), Sec. 1, eff. June 16, 2015.

Sec. 7917.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 494 (S.B. 2027), Sec. 1, eff. June 16, 2015.
Sec. 7917.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 494 (S.B. 2027), Sec. 1, eff. June 16, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7917.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7917.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 494 (S.B. 2027), Sec. 1, eff. June 16, 2015.

Sec. 7917.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7917.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 494 (S.B. 2027), Sec. 1, eff. June 16, 2015.
Sec. 7917.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 494 (S.B. 2027), Sec. 1, eff. June 16, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7917.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 494 (S.B. 2027), Sec. 1, eff. June 16, 2015.

Sec. 7917.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 494 (S.B. 2027), Sec. 1, eff. June 16, 2015.

Sec. 7917.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
Added by Acts 2015, 84th Leg., R.S., Ch. 494 (S.B. 2027), Sec. 1, eff. June 16, 2015.

CHAPTER 7918. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 151

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7918.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Montgomery County Municipal Utility District No. 151.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff. June 16, 2015.

Sec. 7918.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff. June 16, 2015.

Sec. 7918.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff. June 16, 2015.

Sec. 7918.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7918.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 7918.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.  
(b) The district is created to accomplish the purposes of:  
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and  
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7918.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.  
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:  
(1) organization, existence, or validity;  
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;  
(3) right to impose a tax; or  
(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS  
Sec. 7918.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.  
(b) Except as provided by Section 7918.052, directors serve staggered four-year terms.
Sec. 7918.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7918.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7918.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7918.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff. June 16, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7918.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 7918.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 7918.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7918.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 7918.105. CERTAIN NAVIGATION IMPROVEMENTS. (a) The district is created for the following purposes and has the power to purchase, construct, acquire, own, operate, maintain, improve, or extend, inside or outside the district, a canal or other waterway, bulkhead, dock, or improvement in aid of such canals, waterways, bulkheads, or docks.

(b) Notwithstanding any other law, the powers provided by Subsection (a) are subject to the applicable rules, regulations, and approval of the San Jacinto River Authority.

(c) In the event the district adopts a rule or regulation relating to boating or navigation, the rule or regulation must be consistent with the applicable rules or regulations of the San Jacinto River Authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff. June 16, 2015.

Sec. 7918.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff. June 16, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7918.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7918.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff. June 16, 2015.

Sec. 7918.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7918.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff. June 16, 2015.

Sec. 7918.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff. June 16, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7918.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff.
Sec. 7918.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff. June 16, 2015.

Sec. 7918.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 495 (S.B. 2028), Sec. 1, eff. June 16, 2015.

CHAPTER 7919. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 22

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7919.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Waller County Municipal Utility District No. 22.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

Sec. 7919.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.
Sec. 7919.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

Sec. 7919.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7919.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

Sec. 7919.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

Sec. 7919.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7919.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Except as provided by Section 7919.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

Sec. 7919.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
   (b) Temporary directors serve until the earlier of:
       (1) the date permanent directors are elected under Section 7919.003; or
       (2) the fourth anniversary of the effective date of the Act enacting this chapter.
   (c) If permanent directors have not been elected under Section 7919.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier
of:

(1) the date permanent directors are elected under Section 7919.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7919.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

Sec. 7919.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

Sec. 7919.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7919.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 7919.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7919.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7919.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

Sec. 7919.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7919.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

Sec. 7919.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 58 (H.B. 4129), Sec. 1, eff. May 22, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7919.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 7919.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 7919.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

CHAPTER 7920. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 23
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7920.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Waller County Municipal Utility District No. 23.

Sec. 7920.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas
Sec. 7920.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7920.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.006. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7920.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7920.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 7920.003; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7920.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7920.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7920.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and
maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7920.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7920.153.
(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7920.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7920.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

Sec. 7920.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 667 (H.B. 4133), Sec. 1, eff. June 17, 2015.

CHAPTER 7921. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 148
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7921.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 148.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.
Sec. 7921.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7921.003 until each municipality in whose corporate limits the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.
Sec. 7921.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7921.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7921.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

1. Timothy P. Williamson;
2. Keith Schoonover;
3. Jim C. Platt;
4. Christopher DiPaolo; and
5. Joe Mattingly.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 7921.003; or
2. the fourth anniversary of the effective date of the Act.
enacting this chapter.

(c) If permanent directors have not been elected under Section 7921.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7921.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7921.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52,
Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7921.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7921.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7921.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.
Sec. 7921.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

Sec. 7921.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 501 (S.B. 2056), Sec. 1, eff. June 16, 2015.

CHAPTER 7922. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 219

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7922.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Utility District No. 219.
Sec. 7922.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7922.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7922.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7922.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 7922.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7922.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Sec. 7922.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7922.052, directors serve staggered four-year terms.

Sec. 7922.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section...
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7922.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7922.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7922.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.

Sec. 7922.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.
Sec. 7922.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.

Sec. 7922.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.

Sec. 7922.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7922.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.

Sec. 7922.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7922.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.

Sec. 7922.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7922.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.

Sec. 7922.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.

Sec. 7922.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 903 (S.B. 2007), Sec. 1, eff. June 18, 2015.

CHAPTER 7924. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 544

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7924.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 544.
Sec. 7924.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7924.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7924.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7924.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 7924.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7924.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Sec. 7924.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7924.052, directors serve staggered four-year terms.

Sec. 7924.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7924.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7924.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 671 (S.B. 2284), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7924.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 671 (S.B. 2284), Sec. 1, eff. June 12, 2017.

Sec. 7924.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 671 (S.B. 2284), Sec. 1, eff. June 12, 2017.
Sec. 7924.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 671 (S.B. 2284), Sec. 1, eff. June 12, 2017.

Sec. 7924.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 671 (S.B. 2284), Sec. 1, eff. June 12, 2017.

Sec. 7924.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 671 (S.B. 2284), Sec. 1, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7924.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 671 (S.B. 2284), Sec. 1, eff. June 12, 2017.

Sec. 7924.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7924.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 671 (S.B. 2284), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7924.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 671 (S.B. 2284), Sec. 1, eff. June 12, 2017.

Sec. 7924.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part
of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 671 (S.B. 2284), Sec. 1, eff. June 12, 2017.

Sec. 7924.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 671 (S.B. 2284), Sec. 1, eff. June 12, 2017.
creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

Sec. 7925.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7925.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

Sec. 7925.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
   (b) The district is created to accomplish the purposes of:
      (1) a municipal utility district as provided by general law
      and Section 59, Article XVI, Texas Constitution; and
      (2) Section 52, Article III, Texas Constitution, that
      relate to the construction, acquisition, improvement, operation, or
      maintenance of macadamized, graveled, or paved roads, or
      improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

Sec. 7925.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
   (b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
      (1) organization, existence, or validity;
      (2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 7925.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7925.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

Sec. 7925.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7925.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7925.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7925.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a

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majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7925.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

Sec. 7925.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

Sec. 7925.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

Sec. 7925.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road
project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

Sec. 7925.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7925.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7925.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.
Sec. 7925.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7925.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.  
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 7925.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.  
(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 7925.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 7925.202. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

Sec. 7925.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 908 (S.B. 2026), Sec. 1, eff. June 18, 2015.

CHAPTER 7926. FOSTER MUNICIPAL UTILITY DISTRICT NO. 1 OF MONTGOMERY COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7926.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Foster Municipal Utility District No. 1 of Montgomery County.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.
Sec. 7926.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7926.003 until each municipality in whose corporate limits the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process...
does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7926.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 7926.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2015, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 7926.003; or
(2) September 1, 2019.
(c) If permanent directors have not been elected under Section 7926.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 7926.003; or
(2) the fourth anniversary of the date of the appointment
or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7926.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.
Sec. 7926.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits the road project is located.

(b) If a road project is not located in the corporate limits of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.
(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7926.003 to confirm the creation of the district and before or after an election under Section 7926.151 to authorize the issuance of bonds.

(f) An order dividing the district must:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7926.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7926.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
   (1) revenue other than ad valorem taxes; or
   (2) contract payments described by Section 7926.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7926.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7926.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 7926.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

Sec. 7926.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 386 (H.B. 4127), Sec. 1, eff. September 1, 2015.

CHAPTER 7927. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 218

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7927.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Utility District No. 218.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

Sec. 7927.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas...
Sec. 7927.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

Sec. 7927.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7927.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

Sec. 7927.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

Sec. 7927.006. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7927.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7927.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

Sec. 7927.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2015, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 7927.003; or
2. September 1, 2019.

(c) If permanent directors have not been elected under Section 7927.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier of:

(1)  the date permanent directors are elected under Section 7927.003; or

(2)  the fourth anniversary of the date of the appointment or reappointment.

(d)  If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C.  POWERS AND DUTIES

Sec. 7927.101.  GENERAL POWERS AND DUTIES.  The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

Sec. 7927.102.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.  The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

Sec. 7927.103.  AUTHORITY FOR ROAD PROJECTS.  Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements,
including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

Sec. 7927.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

Sec. 7927.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7927.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7927.153.

(b) The district must hold an election in the manner provided
by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff.
September 1, 2015.

Sec. 7927.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 7927.151, the district
may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff.
September 1, 2015.

Sec. 7927.153. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an
operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff.
September 1, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7927.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract
payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

Sec. 7927.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

Sec. 7927.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 63 (H.B. 4126), Sec. 1, eff. September 1, 2015.

CHAPTER 7928. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 20

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7928.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Waller County Municipal Utility District No. 20.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.
Sec. 7928.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7928.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.
Sec. 7928.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 7928.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7928.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Monica L. Pena;
(2) Rafael Garcia;
(3) Walker French;
(4) Michael Cole; and
(5) Adam Selwyn.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7928.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section
7928.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7928.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7928.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and...
convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7928.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7928.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7928.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7928.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

Sec. 7928.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 668 (H.B. 4134), Sec. 1, eff. June 17, 2015.

CHAPTER 7929. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7929.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Waller County Municipal Utility District No. 21.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff.
Sec. 7929.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

Sec. 7929.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

Sec. 7929.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7929.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

Sec. 7929.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7929.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Sec. 7929.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7929.052, directors serve staggered four-year terms.

Sec. 7929.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7929.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7929.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7929.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

Sec. 7929.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.
Sec. 7929.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

Sec. 7929.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

Sec. 7929.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 7929.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7929.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

Sec. 7929.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7929.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

Sec. 7929.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7929.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

Sec. 7929.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

Sec. 7929.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 59 (H.B. 4132), Sec. 1, eff. May 22, 2015.

CHAPTER 7930. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 35

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7930.001. DEFINITION. In this chapter, "district" means the Galveston County Municipal Utility District No. 35.

Added by Acts 2015, 84th Leg., R.S., Ch. 497 (S.B. 2033), Sec. 1, eff. June 16, 2015.
Sec. 7930.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 497 (S.B. 2033), Sec. 1, eff. June 16, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7930.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 497 (S.B. 2033), Sec. 1, eff. June 16, 2015.

Sec. 7930.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 497 (S.B. 2033), Sec. 1, eff. June 16, 2015.

Sec. 7930.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7930.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 497 (S.B. 2033), Sec. 1, eff. June 16, 2015.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7930.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7930.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 497 (S.B. 2033), Sec. 1, eff. June 16, 2015.
Sec. 7930.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 497 (S.B. 2033), Sec. 1, eff. June 16, 2015.

CHAPTER 7931. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 36

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7931.001. DEFINITION. In this chapter, "district" means the Galveston County Municipal Utility District No. 36.

Added by Acts 2015, 84th Leg., R.S., Ch. 496 (S.B. 2032), Sec. 1, eff. June 16, 2015.

Sec. 7931.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 496 (S.B. 2032), Sec. 1, eff. June 16, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7931.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 496 (S.B. 2032), Sec. 1, eff.
Sec. 7931.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 496 (S.B. 2032), Sec. 1, eff. June 16, 2015.

Sec. 7931.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 496 (S.B. 2032), Sec. 1, eff. June 16, 2015.

Sec. 7931.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 496 (S.B. 2032), Sec. 1, eff. June 16, 2015.
Sec. 7931.101.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS.  (a)  The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7931.053.

(b)  The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c)  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 496 (S.B. 2032), Sec. 1, eff. June 16, 2015.

Sec. 7931.102.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 496 (S.B. 2032), Sec. 1, eff. June 16, 2015.

CHAPTER 7932.  MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 7932.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Montgomery County Municipal Utility District No. 152.
Sec. 7932.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7932.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7932.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7932.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 7932.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7932.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 4 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 4 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Sec. 7932.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7932.052, directors serve staggered four-year terms.

Sec. 7932.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
1. the date permanent directors are elected under Section
7932.003; or
    (2) the fourth anniversary of the effective date of the Act
enacting this chapter.

    (c) If permanent directors have not been elected under Section
7932.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier
of:

    (1) the date permanent directors are elected under Section
7932.003; or

    (2) the fourth anniversary of the date of the appointment
or reappointment.

    (d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons
named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff.
June 19, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7932.101. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff.
June 19, 2015.

Sec. 7932.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to
municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff.
June 19, 2015.
Sec. 7932.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff. June 19, 2015.

Sec. 7932.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff. June 19, 2015.

Sec. 7932.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff. June 19, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7932.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7932.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff. June 19, 2015.

Sec. 7932.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7932.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff. June 19, 2015.

Sec. 7932.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff. June 19, 2015.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7932.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff. June 19, 2015.

Sec. 7932.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff. June 19, 2015.

Sec. 7932.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 3, eff. June 19, 2015.

CHAPTER 7933. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 543

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7933.001. DEFINITIONS. In this chapter:

1. "Board" means the district's board of directors.
2. "Commission" means the Texas Commission on Environmental Quality.
3. "Director" means a board member.
4. "District" means the Harris County Municipal Utility District No. 543.
Sec. 7933.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7933.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7933.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7933.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 7933.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7933.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Sec. 7933.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7933.052, directors serve staggered four-year terms.

Sec. 7933.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

1. Rose Montalbano;
2. Calvin Browne;
3. Ryan Quinn;
4. Tamara Webb; and
5. Stephanie Bowden.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section
If permanent directors have not been elected under Section 7933.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. The date permanent directors are elected under Section 7933.003; or
2. The fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7933.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.

Sec. 7933.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.
Sec. 7933.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.

Sec. 7933.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.

Sec. 7933.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 7933.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7933.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.

Sec. 7933.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7933.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.

Sec. 7933.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7933.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.

Sec. 7933.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.

Sec. 7933.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 909 (S.B. 2037), Sec. 1, eff. June 18, 2015.

CHAPTER 7934. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 31

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7934.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Williamson County Municipal Utility District No. 31.
Sec. 7934.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

Sec. 7934.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

Sec. 7934.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 7934.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

Sec. 7934.005.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7934.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7934.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7934.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

Sec. 7934.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section
(c) If permanent directors have not been elected under Section 7934.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7934.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7934.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

Sec. 7934.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.
Sec. 7934.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

Sec. 7934.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

(d) The district shall convey the public roads constructed by or on behalf of the district under Section 7934.103 to Williamson County for ownership, operation, and maintenance by the county. After the 12th anniversary of the date the county accepts conveyance of the roads, the district shall maintain the public roads located in the district, except that the county shall maintain the east-west arterial roadway located in the district north of the San Gabriel River and south of State Highway 29. The district's obligation to maintain the public roads located in the district ceases if all of the territory of the district is annexed by a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

Sec. 7934.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable
requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 7934.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7934.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

Sec. 7934.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7934.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

Sec. 7934.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7934.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

Sec. 7934.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.

Sec. 7934.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 883 (H.B. 4178), Sec. 1, eff. June 18, 2015.
CHAPTER 7935. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 32  
SUBCHAPTER A. GENERAL PROVISIONS  
Sec. 7935.001. DEFINITIONS. In this chapter:  
(1) "Board" means the district's board of directors.  
(2) "Commission" means the Texas Commission on Environmental Quality.  
(3) "Director" means a board member.  
(4) "District" means the Williamson County Municipal Utility District No. 32.  
Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.  
Sec. 7935.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.  
Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.  
Sec. 7935.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.  
Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.  
Sec. 7935.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7935.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.  
Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. 6/18/2015 - 4986 -
Sec. 7935.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

Sec. 7935.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 7935.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 7935.052, directors serve staggered four-year terms.
Sec. 7935.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7935.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7935.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7935.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7935.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 7935.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

Sec. 7935.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

Sec. 7935.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

(d) The district shall convey the public roads constructed by or on behalf of the district under Section 7935.103 to Williamson County for ownership, operation, and maintenance by the county.
After the 12th anniversary of the date the county accepts conveyance of the roads, the district shall maintain the public roads located in the district, except that the county shall maintain the east-west arterial roadway located in the district north of the San Gabriel River and south of State Highway 29. The district's obligation to maintain the public roads located in the district ceases if all of the territory of the district is annexed by a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

Sec. 7935.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7935.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7935.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.
Sec. 7935.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7935.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code. (b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

Sec. 7935.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose. (b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7935.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

Sec. 7935.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

Sec. 7935.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 884 (H.B. 4179), Sec. 1, eff. June 18, 2015.

CHAPTER 7936. BELL COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7936.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Bell County Municipal Utility District No. 3.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as
provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7936.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest
on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7936.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Except as provided by Section 7936.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
   (b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 7936.003; or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.
   (c) If permanent directors have not been elected under Section 7936.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 7936.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.
   (d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7936.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and
subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more districts only if:

(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) the requirements of Subsection (i), as applicable, are satisfied.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of
the real property in the district, may adopt an order dividing the
district.

(e) The board may adopt an order dividing the district before
or after the date the board holds an election under Section 7936.003
to confirm the district's creation.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities
between the district and each new district.

(g) On or before the 30th day after the date of adoption of an
order dividing the district, the district shall file the order with
the Texas Commission on Environmental Quality and record the order in
the real property records of each county in which the district is
located.

(h) A new district created by the division of the district
shall hold a confirmation and directors' election as required by
Section 7936.003.

(i) If the district is located wholly or partly in the
corporate limits or the extraterritorial jurisdiction of a
municipality, the district may not divide under this section unless
the municipality by resolution or ordinance consents to the division
of the district. If the district is not located wholly or partly in
the corporate limits or extraterritorial jurisdiction of a
municipality, the district may not divide under this section unless
the commissioners court of each county in which the district is
wholly or partly located first adopts a resolution or order in
support of the division of the district.

(j) Any new district created by the division of the district
must hold an election as required by this chapter to obtain voter
approval before the district may impose a maintenance tax or issue
bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff.
June 18, 2015.

SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS
Sec. 7936.151.  ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7936.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7936.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.
SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 7936.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.202.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

Sec. 7936.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 880 (H.B. 4159), Sec. 1, eff. June 18, 2015.

CHAPTER 7937.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5 OF HARRIS COUNTY

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 7937.001.  DEFINITION.  In this chapter, "district" means the Harris County Municipal Utility District No. 5 of Harris County.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.
SUBCHAPTER B. POWERS AND DUTIES

Sec. 7937.051. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

CHAPTER 7939. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7939.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 61.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7939.051. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).
CHAPTER 7940. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 150

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7940.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 150.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7940.051. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

CHAPTER 7941. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 211 OF HARRIS COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7941.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 211 of Harris County.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.
SUBCHAPTER B. POWERS AND DUTIES

Sec. 7941.051. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

CHAPTER 7942. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 483

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7942.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 483.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7942.051. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).
CHAPTER 7943. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 484

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7943.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 484.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7943.051. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

CHAPTER 7944. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 485

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7944.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 485.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES
Sec. 7944.051. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

CHAPTER 7945. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 65 OF FORT BEND COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7945.001. DEFINITION. In this chapter, "district" means the Fort Bend County Municipal Utility District No. 65 of Fort Bend County, Texas.

Added by Acts 2015, 84th Leg., R.S., Ch. 889 (H.B. 4196), Sec. 1, eff. June 18, 2015.

Sec. 7945.002. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 889 (H.B. 4196), Sec. 1, eff. June 18, 2015.
SUBCHAPTER B. POWERS AND DUTIES

Sec. 7945.051. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 889 (H.B. 4196), Sec. 1, eff. June 18, 2015.

Sec. 7945.052. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 889 (H.B. 4196), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. BONDS

Sec. 7945.101. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 889 (H.B. 4196), Sec. 1, eff. June 18, 2015.
CHAPTER 7946. LIBERTY COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7946.001. DEFINITION. In this chapter, "district" means the Liberty County Municipal Utility District No. 2.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7946.051. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

CHAPTER 7947. LIBERTY COUNTY MUNICIPAL UTILITY DISTRICT NO. 3
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7947.001. DEFINITION. In this chapter, "district" means the Liberty County Municipal Utility District No. 3.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7947.051. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b),
Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

CHAPTER 7948. POST WOOD MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7948.001. DEFINITION. In this chapter, "district" means the Post Wood Municipal Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7948.051. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

CHAPTER 7949. WEST PARK MUNICIPAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7949.001. DEFINITION. In this chapter, "district" means the West Park Municipal Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7949.051. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 1, eff. September 1, 2015.

CHAPTER 7950. F.M. 2920/BECKER ROAD MUNICIPAL UTILITY DISTRICT OF HARRIS COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7950.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the F.M. 2920/Becker Road Municipal Utility District of Harris County.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.
Sec. 7950.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7950.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.
Sec. 7950.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 4 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 4 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7950.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7950.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Brian Toldan;
(2) Elva Composto;
(3) Hudson Kennedy;
(4) Josh Rambo; and
(5) Michael Others.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7950.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section
7950.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7950.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7950.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and
convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7950.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7950.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7950.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7950.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

Sec. 7950.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 3, eff. June 19, 2015.

CHAPTER 7951. HEADWATERS MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7951.001. DEFINITION. In this chapter, "district" means the Headwaters Municipal Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 887 (H.B. 4185), Sec. 1, eff. June 18, 2015.

Sec. 7951.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59,
Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 887 (H.B. 4185), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7951.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 887 (H.B. 4185), Sec. 1, eff. June 18, 2015.

Sec. 7951.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 887 (H.B. 4185), Sec. 1, eff. June 18, 2015.

Sec. 7951.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 887 (H.B. 4185), Sec. 1, eff. June 18, 2015.
Sec. 7951.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 887 (H.B. 4185), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7951.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7951.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 887 (H.B. 4185), Sec. 1, eff. June 18, 2015.

Sec. 7951.102. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the
district shall provide for the annual imposition of a continuing
direct ad valorem tax, without limit as to rate or amount, while all
or part of the bonds are outstanding as required and in the manner
provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 887 (H.B. 4185), Sec. 1, eff.
June 18, 2015.

**CHAPTER 7952. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 546**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 7952.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on
Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Harris County Municipal Utility
District No. 546.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff.
June 16, 2015.

Sec. 7952.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas
Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff.
June 16, 2015.

Sec. 7952.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as
provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff.
June 16, 2015.
Sec. 7952.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7952.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

Sec. 7952.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

Sec. 7952.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7952.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7952.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

Sec. 7952.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 7952.003; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7952.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 7952.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.
Sec. 7952.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

Sec. 7952.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

Sec. 7952.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

Sec. 7952.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision
requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

Sec. 7952.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7952.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7952.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

Sec. 7952.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7952.151, the district
may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

Sec. 7952.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7952.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 498 (S.B. 2039), Sec. 1, eff. June 16, 2015.

Sec. 7952.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 7952.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 7953.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 144.

Sec. 7953.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7953.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.
Sec. 7953.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7953.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 7953.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7953.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
Sec. 7953.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE. (a) The district is eligible to be included in a tax increment reinvestment zone created under Chapter 311, Tax Code. (b) If the City of Conroe has created or creates a tax increment reinvestment zone described by Subsection (a) that includes all or part of the territory of the district, the City of Conroe and the board of directors of the zone or a developer of property within the tax increment reinvestment zone that receives or will receive money from the tax increment fund, by contract with the district, may grant money to the district from the tax increment fund to be used for a permissible purpose of the district, including:

(1) the right to pledge the money as security for a bond or other obligation issued by the district; and
(2) any permissible purpose of a corporation under Section 380.002(b), Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7953.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors. (b) Except as provided by Section 7953.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

Sec. 7953.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in
the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 7953.003; or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7953.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 7953.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7953.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

Sec. 7953.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 7953.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

Sec. 7953.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

Sec. 7953.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) In addition to all the rights and remedies provided by other law, if the district violates the terms of an ordinance or resolution described by Subsection (a), the municipality is entitled
to injunctive relief or a writ of mandamus issued by a court requiring the district and the district's officials to observe and comply with the terms of the ordinance or resolution.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

Sec. 7953.106. EFFECT OF ANNEXATION BY CITY OF CONROE. (a) The City of Conroe may annex all or part of the district into its corporate limits without annexing the entire district under the terms of a development agreement between the City of Conroe and the owners of the land in the district that is covered by the development agreement. If a development agreement is not executed or the agreement has expired, nothing in this chapter limits the right of the City of Conroe to annex the district.

(b) If the City of Conroe annexes all or part of the district into its corporate limits:

(1) the district is not dissolved;

(2) the ability of the district to issue bonds is not impaired or precluded; and

(3) unless otherwise approved by the board and the governing body of the City of Conroe, the city:

(A) may not take over the property or other assets of the district;

(B) may not assume any debts, liabilities, or other obligations of the district;

(C) is not obligated to perform any functions of the district; and

(D) is not obligated to pay a landowner or developer for expenses incurred by the landowner or developer in connection with the district that would otherwise be eligible for reimbursement from the proceeds of bonds issued by the district.

(c) Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the City of Conroe and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad
valorem tax on that property.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

Sec. 7953.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district without the written consent of the City of Conroe.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.


Sec. 7953.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

Sec. 7953.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7953.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.
Sec. 7953.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, tax increment payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

Sec. 7953.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

Sec. 7953.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 492 (S.B. 1005), Sec. 1, eff. June 16, 2015.

Chapter 7954. Montgomery County Municipal Utility District No. 153

Subchapter A. General Provisions

Sec. 7954.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal
Utility District No. 153.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

Sec. 7954.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

Sec. 7954.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

Sec. 7954.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7954.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

Sec. 7954.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or
maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

Sec. 7954.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7954.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7954.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

Sec. 7954.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors.
the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 7954.003; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7954.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 7954.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7954.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

Sec. 7954.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 7954.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7954.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 7954.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.
Sec. 7954.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7954.003 to confirm the district's creation.

(f) An order dividing the district must:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7954.003.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 7954.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district
must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 7954.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7954.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

Sec. 7954.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7954.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.
Sec. 7954.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7954.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

Sec. 7954.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 912 (S.B. 2064), Sec. 1, eff. June 18, 2015.

Sec. 7954.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
Sec. 7955.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Double R Municipal Utility District No. 1 of Hunt County.

Sec. 7955.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7955.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7955.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7955.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of
land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

Sec. 7955.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

Sec. 7955.006. INITIAL DISTRICT TERRITORY.  (a) The district is initially composed of the territory described by Section 2.01 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2.01 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7955.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 7955.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

Sec. 7955.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2015, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 7955.003; or
   (2) September 1, 2019.

(c) If permanent directors have not been elected under Section 7955.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 7955.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7955.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

Sec. 7955.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

Sec. 7955.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

Sec. 7955.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 7955.105.  COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.  The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 7955.106.  DIVISION OF DISTRICT.  (a)  The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the extraterritorial jurisdiction of a city.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) Subject to consent of a city described by Section 7955.004 and in accordance with Section 7955.105, the board may adopt an order dividing the district before or after the date the board holds an election under Section 7955.003 to confirm the creation of the district and before or after an election under Section 7955.151 to authorize the issuance of bonds.

(f) An order dividing the district must:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities.
between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7955.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 7955.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7955.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

Sec. 7955.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7955.151, the district
may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

Sec. 7955.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7955.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

Sec. 7955.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 7955.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.01, eff. September 1, 2015.

CHAPTER 7956. DOUBLE R MUNICIPAL UTILITY DISTRICT NO. 2 OF HUNT COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7956.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Double R Municipal Utility District No. 2 of Hunt County.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

Sec. 7956.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

Sec. 7956.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.
Sec. 7956.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7956.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 7956.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7956.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2.02 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2.02 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7956.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7956.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

Sec. 7956.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2015, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7956.003; or

(2) September 1, 2019.

(c) If permanent directors have not been elected under Section 7956.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7956.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7956.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

Sec. 7956.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

Sec. 7956.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

Sec. 7956.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

Sec. 7956.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

Sec. 7956.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the extraterritorial jurisdiction of a city.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) Subject to consent of a city described by Section 7956.004 and in accordance with Section 7956.105, the board may adopt an order dividing the district before or after the date the board holds an election under Section 7956.003 to confirm the creation of the
district and before or after an election under Section 7956.151 to authorize the issuance of bonds.

(f) An order dividing the district must:
(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7956.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7956.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7956.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

Sec. 7956.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7956.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

Sec. 7956.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7956.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.
Sec. 7956.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

Sec. 7956.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 911 (S.B. 2057), Sec. 1.02, eff. September 1, 2015.

CHAPTER 7957. LEGACY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7957.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Legacy Municipal Utility District No. 1.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

Sec. 7957.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.
Sec. 7957.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

Sec. 7957.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7957.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

Sec. 7957.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

Sec. 7957.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7957.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7957.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

Sec. 7957.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
1. the date permanent directors are elected under Section 7957.003; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7957.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier
of:

(1) the date permanent directors are elected under Section 7957.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7957.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

Sec. 7957.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

Sec. 7957.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7957.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 7957.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 7957.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more districts only if:

1. the district has no outstanding bonded debt;
2. the district is not imposing ad valorem taxes; and
3. the requirements of Subsection (i), as applicable, are satisfied.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.
(c) A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7957.003 to confirm the district's creation.

(f) An order dividing the district shall:
   1. name the new district;
   2. include the metes and bounds of each new district;
   3. appoint temporary directors for each new district; and
   4. provide for the division of assets and liabilities between the district and each new district.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7957.003.

(i) If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the municipality by resolution or ordinance consents to the division of the district. If the district is not located wholly or partly in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the commissioners court of each county in which the district is wholly or partly located first adopts a resolution or order in support of the division of the district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.
Sec. 7957.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7957.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 7957.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7957.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 7957.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7957.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

Sec. 7957.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.

Sec. 7957.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 913 (S.B. 2074), Sec. 1, eff. June 18, 2015.
Sec. 7959.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Williamson County Municipal Utility District No. 33.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

Sec. 7959.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

Sec. 7959.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

Sec. 7959.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7959.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

Sec. 7959.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

Sec. 7959.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7959.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7959.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.
Sec. 7959.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 7959.003; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7959.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 7959.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7959.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.
Sec. 7959.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

Sec. 7959.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

Sec. 7959.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

(d) The district shall convey the public roads constructed by or on behalf of the district under Section 7959.103 to Williamson County for ownership, operation, and maintenance by the county. After the 12th anniversary of the date the county accepts conveyance of the roads, the district shall maintain the public roads located in the district, except that the county shall maintain the east-west arterial roadway located in the district north of the San Gabriel
River and south of State Highway 29. The district's obligation to maintain the public roads located in the district ceases if all of the territory of the district is annexed by a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

Sec. 7959.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7959.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7959.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

Sec. 7959.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7959.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

Sec. 7959.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7959.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

Sec. 7959.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.
Sec. 7959.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 891 (H.B. 4204), Sec. 1, eff. June 18, 2015.

CHAPTER 7964. BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 70
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7964.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Brazoria County Municipal Utility District No. 70.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.
Sec. 7964.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7964.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.
Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7964.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors. (b) Except as provided by Section 7964.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition. (b) Temporary directors serve until the earlier of: (1) the date permanent directors are elected under Section 7964.003; or (2) the fourth anniversary of the effective date of the Act enacting this chapter. (c) If permanent directors have not been elected under Section 7964.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of: (1) the date permanent directors are elected under Section 7964.003; or (2) the fourth anniversary of the date of the appointment or reappointment. (d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7964.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.103. LEVEE IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapter 57, Water Code, applicable to levee improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7964.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 7964.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 7964.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt; and

(2) the district is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land...
outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7964.003 to confirm the creation of the district.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7964.003.

(i) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 7964.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7964.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7964.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7964.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff.
May 23, 2017.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7964.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

Sec. 7964.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 76 (H.B. 1963), Sec. 1, eff. May 23, 2017.

**CHAPTER 7965. WOOD TRACE MUNICIPAL UTILITY DISTRICT NO. 3 OF MONTGOMERY COUNTY, TEXAS**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 7965.001. DEFINITION. In this chapter, "district" means the Wood Trace Municipal Utility District No. 3 of Montgomery County, Texas.
Sec. 7965.002. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. 
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7965.101. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7965.102. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.
(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 10 (H.B. 1439), Sec. 1, eff. May 18, 2017.

**SUBCHAPTER C. BONDS**

Sec. 7965.201. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 10 (H.B. 1439), Sec. 1, eff. May 18, 2017.

**CHAPTER 7966. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 130**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 7966.001. DEFINITION. In this chapter, "district" means the Montgomery County Municipal Utility District No. 130.

Added by Acts 2017, 85th Leg., R.S., Ch. 12 (H.B. 1445), Sec. 1, eff. May 18, 2017.

Sec. 7966.002. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 12 (H.B. 1445), Sec. 1, eff. May 18, 2017.
Sec. 7966.101. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 12 (H.B. 1445), Sec. 1, eff. May 18, 2017.

Sec. 7966.102. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 12 (H.B. 1445), Sec. 1, eff. May 18, 2017.

Sec. 7966.201. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 12 (H.B. 1445), Sec. 1, eff. May 18, 2017.
CHAPTER 7967. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 131
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 7967.001. DEFINITION. In this chapter, "district" means the Montgomery County Municipal Utility District No. 131.

Added by Acts 2017, 85th Leg., R.S., Ch. 13 (H.B. 1448), Sec. 1, eff. May 18, 2017.

Sec. 7967.002. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 13 (H.B. 1448), Sec. 1, eff. May 18, 2017.

SUBCHAPTER B. POWERS AND DUTIES
Sec. 7967.101. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 13 (H.B. 1448), Sec. 1, eff. May 18, 2017.

Sec. 7967.102. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or
extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 13 (H.B. 1448), Sec. 1, eff. May 18, 2017.

SUBCHAPTER C. BONDS

Sec. 7967.201. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 13 (H.B. 1448), Sec. 1, eff. May 18, 2017.

CHAPTER 7968. CRESSON CROSSROADS MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7968.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Cresson Crossroads Municipal Utility District No. 2.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.
Sec. 7968.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7968.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 7968.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Randy Price;
(2) Cliff May;
(3) Derek Tanner;
(4) Michael Hooser; and
(5) Aaron Grant.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7968.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7968.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier
of:

(1) the date permanent directors are elected under Section 7968.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7968.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7968.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.105. COMPLIANCE WITH MUNICIPAL REGULATIONS. Any water, sanitary sewer, road, drainage, or other infrastructure or public facilities constructed, acquired, improved, maintained, or operated by the district shall comply with any subdivision or other applicable regulations of any municipality in whose corporate limits or extraterritorial jurisdiction the infrastructure or public facilities are located unless other regulations are specified in a development agreement between the district and the municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.
Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt; and
(2) the district is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7968.003 to confirm the creation of the district.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7968.003.

(i) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

(j) Any new district created by the division of the district
must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 7968.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7968.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7968.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

Sec. 7968.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7968.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(f), Water Code, does not apply to reimbursements for projects constructed or acquired under Section 7968.103.
Sec. 7968.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 7968.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 7968.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 7968.203. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 451 (S.B. 905), Sec. 1, eff. June 9, 2017.

CHAPTER 7969. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 224

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7969.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Utility District No. 224.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary
directors may not hold an election under Section 7969.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7969.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7969.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 7969.003; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7969.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 7969.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 7969.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7969.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

1) revenue other than ad valorem taxes; or
2) contract payments described by Section 7969.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7969.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
Sec. 7969.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7969.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

Sec. 7969.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.
Sec. 7969.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 9 (H.B. 1331), Sec. 1, eff. May 18, 2017.

CHAPTER 7970. BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 69
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7970.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Brazoria County Municipal Utility District No. 69.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.

Sec. 7970.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.

Sec. 7970.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.
Sec. 7970.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7970.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.

Sec. 7970.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.

Sec. 7970.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7970.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7970.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.

Sec. 7970.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7970.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7970.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7970.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff.
May 18, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7970.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.

Sec. 7970.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.

Sec. 7970.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.

Sec. 7970.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision...
requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.

Sec. 7970.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7970.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7970.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff. May 18, 2017.

Sec. 7970.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7970.151, the district
may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff.
May 18, 2017.

Sec. 7970.153. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an
operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
 provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff.
May 18, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7970.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract
payments, grants, or other district money, or any combination of
those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 15 (H.B. 1962), Sec. 1, eff.
May 18, 2017.

Sec. 7970.202. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct
ad valorem tax, without limit as to rate or amount, while all or part
of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.
Sec. 7970.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

CHAPTER 7971.  TRINITY LAKES MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 7971.001.  DEFINITIONS.  In this chapter:
  (1)  "Board" means the district's board of directors.
  (2)  "Commission" means the Texas Commission on Environmental Quality.
  (3)  "Director" means a board member.
  (4)  "District" means the Trinity Lakes Municipal Utility District of Montgomery County.

Sec. 7971.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7971.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.
Sec. 7971.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7971.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 7971.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7971.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7971.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7971.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

Sec. 7971.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 7971.003; or
2. September 1, 2021.

(c) If permanent directors have not been elected under Section 7971.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 7971.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7971.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

Sec. 7971.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

Sec. 7971.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

Sec. 7971.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

Sec. 7971.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7971.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7971.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.
Sec. 7971.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7971.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

Sec. 7971.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7971.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

Sec. 7971.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

Sec. 7971.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 16 (H.B. 2134), Sec. 1, eff. September 1, 2017.

CHAPTER 7972.  BLAKETREE MUNICIPAL UTILITY DISTRICT NO. 2 OF MONTGOMERY COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7972.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Blaketree Municipal Utility District No. 2 of Montgomery County.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7972.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 7972.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7972.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7972.003; or

(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 7972.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7972.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7972.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and
subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.
(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7972.003 to confirm the creation of the district.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7972.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 7972.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 7972.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7972.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7972.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.
Sec. 7972.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

Sec. 7972.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 455 (S.B. 1118), Sec. 1, eff. September 1, 2017.

CHAPTER 7973. BIG SKY MUNICIPAL UTILITY DISTRICT OF DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7973.001. DEFINITION. In this chapter, "district" means the Big Sky Municipal Utility District of Denton County.

Added by Acts 2017, 85th Leg., R.S., Ch. 787 (H.B. 2565), Sec. 1.01, eff. June 15, 2017.

Sec. 7973.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 787 (H.B. 2565), Sec. 1.01, eff. June 15, 2017.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7973.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 787 (H.B. 2565), Sec. 1.01, eff. June 15, 2017.

Sec. 7973.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 787 (H.B. 2565), Sec. 1.01, eff. June 15, 2017.

Sec. 7973.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 787 (H.B. 2565), Sec. 1.01, eff. June 15, 2017.

Sec. 7973.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards and regulations of each municipality in whose corporate limits or
extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 787 (H.B. 2565), Sec. 1.01, eff. June 15, 2017.

Sec. 7973.055. FIREFIGHTING SERVICES. Notwithstanding Section 49.351(a), Water Code, the district may, as authorized by Section 59(f), Article XVI, Texas Constitution, and Section 49.351, Water Code:

(1) establish, operate, and maintain a fire department;
(2) contract with another political subdivision for the joint operation of a fire department; or
(3) contract with any other person to perform firefighting services in the district and may issue bonds and impose taxes to pay for the department and the activities.

Added by Acts 2017, 85th Leg., R.S., Ch. 787 (H.B. 2565), Sec. 1.01, eff. June 15, 2017.

Sec. 7973.056. FEES AND CHARGES. (a) The district may adopt and enforce all necessary charges, mandatory fees, or rentals, in addition to taxes, for providing or making available any district facility or service, including firefighting activities provided under Section 7973.055.

(b) To enforce payment of an unpaid fee or charge due to the district, on the request of the district, a retail public utility, as defined by Section 13.002, Water Code, providing water or sewer service to a customer in the district shall terminate the service.

Added by Acts 2017, 85th Leg., R.S., Ch. 787 (H.B. 2565), Sec. 1.01, eff. June 15, 2017.
SUBCHAPTER C.  BONDS AND OTHER OBLIGATIONS

Sec. 7973.101.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS.  (a)  In addition to the district's authority to issue bonds for other purposes, the district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7973.053.

(b)  The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c)  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 787 (H.B. 2565), Sec. 1.01, eff. June 15, 2017.

Sec. 7973.102.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding.

Added by Acts 2017, 85th Leg., R.S., Ch. 787 (H.B. 2565), Sec. 1.01, eff. June 15, 2017.

CHAPTER 7974.  MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 154

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 7974.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Montgomery County Municipal Utility District No. 154.
Sec. 7974.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7974.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7974.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7974.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 7974.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7974.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Sec. 7974.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7974.052, directors serve staggered four-year terms.

Sec. 7974.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section
7974.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7974.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7974.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7974.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.

Sec. 7974.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.
Sec. 7974.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.

Sec. 7974.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.

Sec. 7974.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.

Sec. 7974.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7974.003 to confirm the district's creation.

(f) An order dividing the district must:
(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7974.003.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 7974.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) If the creation of the new district is confirmed, the new district
district shall provide the election date and results to the commission.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7974.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7974.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.

Sec. 7974.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7974.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.

Sec. 7974.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7974.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.

Sec. 7974.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.

Sec. 7974.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 11 (H.B. 1440), Sec. 1, eff. May 18, 2017.
CHAPTER 7975. CRESSON MUNICIPAL UTILITY DISTRICT NO. 1 OF HOOD COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7975.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Cresson Municipal Utility District No. 1 of Hood County.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7975.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.
Sec. 7975.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. 

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7975.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7975.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff.
Sec. 7975.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 7975.003; or
(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 7975.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 7975.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7975.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.
Sec. 7975.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.
Sec. 7975.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.106. FIREFIGHTING SERVICES. Notwithstanding Section 49.351(a), Water Code, the district may, as authorized by Section 59(f), Article XVI, Texas Constitution, and Section 49.351, Water Code:

(1) establish, operate, and maintain a fire department;
(2) contract with another political subdivision for the joint operation of a fire department; or
(3) contract with any other person to perform firefighting services in the district and may issue bonds and impose taxes to pay for the department and the activities.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.107. FEES AND CHARGES. (a) The district may adopt and enforce all necessary charges, mandatory fees, or rentals, in addition to taxes, for providing or making available any district facility or service, including firefighting activities provided under Section 7975.106.

(b) To enforce payment of an unpaid fee or charge due to the district, on the request of the district, a retail public utility, as defined by Section 13.002, Water Code, providing water or sewer service to a customer in the district shall terminate the service.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7975.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7975.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7975.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7975.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

Sec. 7975.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 226 (S.B. 904), Sec. 1, eff. September 1, 2017.

CHAPTER 7976. WEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7976.001. DEFINITION. In this chapter, "district" means the West Harris County Municipal Utility District No. 21.

Added by Acts 2017, 85th Leg., R.S., Ch. 606 (H.B. 2220), Sec. 1, eff. June 12, 2017.
Sec. 7976.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 606 (H.B. 2220), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7976.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 606 (H.B. 2220), Sec. 1, eff. June 12, 2017.

Sec. 7976.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 606 (H.B. 2220), Sec. 1, eff. June 12, 2017.

Sec. 7976.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 7976.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 7976.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7976.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 606 (H.B. 2220), Sec. 1, eff. June 12, 2017.
Sec. 7976.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board of directors of the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 606 (H.B. 2220), Sec. 1, eff. June 12, 2017.

CHAPTER 7977. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7977.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Denton County Municipal Utility District No. 9.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.
Sec. 7977.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7977.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.
Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 7977.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7977.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7977.003; or

(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 7977.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7977.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 7977.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project
must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.106. FIREFIGHTING SERVICES. Notwithstanding Section 49.351(a), Water Code, the district may, as authorized by Section 59(f), Article XVI, Texas Constitution, and Section 49.351, Water Code:

(1) establish, operate, and maintain a fire department;

(2) contract with another political subdivision for the joint operation of a fire department; or

(3) contract with any other person to perform firefighting services in the district and may issue bonds and impose taxes to pay for the department and the activities.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.107. FEES AND CHARGES. (a) The district may adopt and enforce all necessary charges, mandatory fees, or rentals, in addition to taxes, for providing or making available any district facility or service, including firefighting activities provided under Section 7977.106.
(b) To enforce payment of an unpaid fee or charge due to the district, on the request of the district, a retail public utility, as defined by Section 13.002, Water Code, providing water or sewer service to a customer in the district shall terminate the service.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 7977.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7977.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7977.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff. September 1, 2017.

Sec. 7977.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an
operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff.
September 1, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7977.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract
payments, grants, or other district money, or any combination of
those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff.
September 1, 2017.

Sec. 7977.202. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct
ad valorem tax, without limit as to rate or amount, while all or part
of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff.
September 1, 2017.

Sec. 7977.203. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 788 (H.B. 2566), Sec. 1, eff.
CHAPTER 7978.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 552
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 7978.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 552.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

Sec. 7978.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

Sec. 7978.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

Sec. 7978.004.  CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7978.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 7978.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
   (b) The district is created to accomplish the purposes of:
       (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
       (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Sec. 7978.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
   (b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
       (1) organization, existence, or validity;
       (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
       (3) right to impose a tax; or
       (4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 7978.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Except as provided by Section 7978.052, directors serve
staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

Sec. 7978.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Ben Gillis;
(2) Bob Bryant;
(3) Ken Belanger;
(4) Ben Pisklak; and
(5) Jonathan Blanscet.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 7978.003; or
(2) June 1, 2021.

(c) If permanent directors have not been elected under Section 7978.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 7978.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7978.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 7978.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 7978.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Sec. 7978.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 7978.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or maintain the road.
Sec. 7978.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

Sec. 7978.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 7978.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 7978.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff.
Sec. 7978.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7978.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code. (b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

Sec. 7978.153. WATER AND SEWER RATES. Notwithstanding any other law, the district shall establish the same rates for residential and commercial classes of customers for the provision of water and sewer services. For purposes of this section, the commercial class may not include apartment complexes or other multifamily dwellings.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7978.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

Sec. 7978.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

Sec. 7978.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 782 (H.B. 1455), Sec. 1, eff. June 15, 2017.

CHAPTER 7979. ANTHEM MUNICIPAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7979.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Anthem Municipal Utility District.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law
and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage and landscaping, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER B. POWERS AND DUTIES**

Sec. 7979.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage and landscaping, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.
Sec. 7979.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.055. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with:

(1) a municipality under Section 43.0751, Local Government Code; and

(2) a municipality that provides water and wastewater services to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 7979.101. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7979.103.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.102.  OPERATION AND MAINTENANCE TAX.  (a) If authorized at an election held under Section 7979.101, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.103.  CONTRACT TAXES.  (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

SUBCHAPTER D.  ASSESSMENTS; APPLICABILITY OF IMPACT FEES AND ASSESSMENTS

Sec. 7979.151.  PETITION REQUIRED FOR FINANCING RECREATIONAL FACILITIES, IMPROVEMENTS, AND SERVICES WITH ASSESSMENTS.  (a) The board may finance the construction or maintenance of a recreational facility or improvement or finance the provision of a recreational service with assessments on commercial or residential property, or both, under this subchapter, but only if:
(1) a written petition requesting that facility, improvement, or service has been filed with the board; and
(2) the board holds a hearing on the proposed assessments.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.152. METHOD OF NOTICE FOR HEARING. The district shall mail notice of the hearing to each property owner in the district who will be subject to the assessment at the current address to be assessed as reflected on the tax rolls. The district may mail the notice by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.153. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) An assessment or a reassessment imposed under this subchapter by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:
(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(b) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(c) The board may make a correction to or deletion from the
assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7979.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

Sec. 7979.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 619 (H.B. 4270), Sec. 1, eff. June 12, 2017.

CHAPTER 7980. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7980.001. DEFINITION. In this chapter, "district" means the Denton County Municipal Utility District No. 4.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7980.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.

Sec. 7980.052. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may improve, operate, or maintain any macadamized, graveled, or paved roads in existence on September 1, 2017, or improvements, including storm drainage, in aid of those roads inside the district.
Sec. 7980.053. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.

Sec. 7980.054. ACCEPTANCE OF ROADS. (a) The district by order of the board may accept any road inside the district that has been dedicated by plat or otherwise transferred to the public.

(b) On acceptance of the road by the district, the district is considered the owner of the accepted road and shall record ownership of the road in the deed records of Denton County.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.

Sec. 7980.055. ELECTION REQUIRED. The district may not exercise the powers authorized by Section 7980.052 unless approved by a vote of a majority of district voters voting at an election called for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.
PROJECTS PROHIBITED. The district may not issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7980.052.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.

CHAPTER 7981. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7981.001. DEFINITION. In this chapter, "district" means the Denton County Municipal Utility District No. 5.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7981.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.

Sec. 7981.052. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may improve, operate, or maintain any macadamized, graveled, or paved roads in existence on September 1, 2017, or improvements, including storm drainage, in aid of those roads inside the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.

Sec. 7981.053. ROAD STANDARDS AND REQUIREMENTS. (a) A road
project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.

Sec. 7981.054. ACCEPTANCE OF ROADS. (a) The district by order of the board may accept any road inside the district that has been dedicated by plat or otherwise transferred to the public.

(b) On acceptance of the road by the district, the district is considered the owner of the accepted road and shall record ownership of the road in the deed records of Denton County.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.

Sec. 7981.055. ELECTION REQUIRED. The district may not exercise the powers authorized by Section 7981.052 unless approved by a vote of a majority of district voters voting at an election called for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 800 (H.B. 2987), Sec. 1, eff. August 1, 2017.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7981.101. ISSUANCE OF BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS PROHIBITED. The district may not issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7981.052.
CHAPTER 7982. DRIFTWOOD CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7982.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Driftwood Conservation District.

Sec. 7982.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7982.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7982.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7982.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 7982.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.  
(b) The district is created to accomplish the purposes of:  
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and  
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7982.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.  
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:  
(1) organization, existence, or validity;  
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;  
(3) right to impose a tax; or  
(4) legality or operation.

Sec. 7982.007. APPLICABILITY OF OTHER LAW. Chapter 257, Transportation Code, and other general laws applicable to road districts created under Section 52, Article III, Texas Constitution, apply to the district.
Sec. 7982.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7982.052, directors serve staggered four-year terms.

Sec. 7982.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7982.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7982.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7982.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.
temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7982.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.105. IMPROVEMENT PROJECTS. (a) The district may provide or finance, or contract with a governmental or private person to provide or finance, the following types of projects or activities in support of or incidental to one of the projects:

(1) an improvement project that is a public improvement, facility, or service that may be provided by a municipal utility district or a municipal management district, including:
   (A) water, wastewater, reclamation, drainage, road, trail, or bridge improvement;
   (B) utilization and reuse of treated effluent in landscape and other features, including temporary holding features;
   (C) transportation of treated effluent for reuse; and
   (D) injection of treated stormwater runoff or stormwater collected from roofs into aquifers as storage or to recharge the aquifer; and

(2) the purchase and maintenance of conservation land for endangered species, including the cost of:
   (A) any permits relating to endangered species or the maintenance of the land; and
   (B) purchasing land or easements for conservation mitigation.

(b) The district may inject stormwater as authorized by Subsection (a)(1)(D) without the consent, concurrence, or authorization of a groundwater conservation district, but only if the injection is authorized by a commission rule or permit under Chapter 27, Water Code.

(c) To finance an improvement project under Subsection (a)(1),
the district may, in the manner authorized by:

(1) Chapter 375, Local Government Code, or Chapter 54, Water Code, use funds derived from:
   (A) ad valorem taxes;
   (B) sales and use taxes from a strategic partnership agreement authorized by Section 7982.109;
   (C) assessments imposed under Section 7982.201;
   (D) revenue from an improvement project;
   (E) impact fees; or
   (F) any other source; and

(2) Sections 375.201 through 375.205, Local Government Code, enter into obligations, including:
   (A) lease purchase agreements;
   (B) certificates of participation in lease purchase agreements;
   (C) general obligation bonds and notes and revenue bonds and notes;
   (D) combination general obligation and revenue bonds and notes; and
   (E) other interest-bearing obligations.

(d) Sections 375.161 through 375.163, Local Government Code, do not apply to an assessment imposed by the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.107. LIMITATION ON GROUNDWATER USE. In providing water services to users in the district, the district may not, except in emergency situations:

(1) develop groundwater on land owned by the district for
use as a potable water source; or
(2) purchase or lease the rights to groundwater underlying land inside the district for use as a potable water source.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.108. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.
(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.
(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.
(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7982.003 to confirm the creation of the district.
(f) An order dividing the district shall:
(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.
(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.
(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7982.003.
(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.109. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with a municipality under Section 43.0751, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 7982.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7982.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7982.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. ASSESSMENTS; APPLICABILITY OF IMPACT FEES AND ASSESSMENTS

Sec. 7982.201. PETITION REQUIRED FOR FINANCING RECREATIONAL FACILITY OR IMPROVEMENT BY ASSESSMENT. (a) The district may finance a recreational facility or improvement, including an improvement project under Section 7982.105, with assessments on residential or commercial property or both residential and commercial property under this subchapter, but only if:

(1) a written petition requesting that facility or improvement has been filed with the board; and

(2) the district holds a hearing on the proposed assessments.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.
Sec. 7982.202. METHOD OF NOTICE FOR HEARING. The district shall mail notice of the hearing to each property owner in the district who will be subject to the assessment at the current address to be assessed as reflected on the tax rolls. The district may mail the notice by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.203. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) An assessment or a reassessment imposed under this subchapter by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(b) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(c) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.204. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:
(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS**

Sec. 7982.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
SUBCHAPTER G. DEFINED AREAS

Sec. 7982.301. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Sec. 7982.302. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the defined area or designated property, the board shall hold an election in the defined area or in the designated property only. (b) The board may submit the issues to the voters on the same ballot to be used in another election.

Sec. 7982.303. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property. (b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Sec. 7982.304. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES
IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 7982.303, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

Sec. 7982.305. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 7982.303 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2017, 85th Leg., R.S., Ch. 632 (H.B. 4301), Sec. 1, eff. June 12, 2017.

CHAPTER 7983. DRIFTWOOD MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7983.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Driftwood Municipal Utility District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff.
Sec. 7983.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7983.003 until:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and

(2) the district and each municipality in whose corporate limits or extraterritorial jurisdiction the district is located have executed an agreement concerning the creation and operation of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

(c) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.
(d) The creation of the district is in the public interest and is essential to further the public purposes of:
(1) developing and diversifying the economy of the state;
(2) eliminating unemployment and underemployment;
(3) developing or expanding transportation and commerce;
and
(4) providing quality residential housing.
(e) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping, removing graffiti from, and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.
(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest
on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 7983.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7983.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 7983.003; or
(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 7983.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 7983.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7983.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.103. WATER CONSERVATION FACILITIES. The district may provide for the conservation of water, including by means of the construction, operation, and maintenance of a water conservation facility or water reuse project.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements,
including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.107. LIMITATION ON GROUNDWATER USE. In providing water services to users in the district, the district may not, except in emergency situations:

(1) develop groundwater on land owned by the district for use as a potable water source; or

(2) purchase or lease the rights to groundwater underlying land inside the district for use as a potable water source.
Sec. 7983.108. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt; and
(2) the district is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7983.003 to confirm the creation of the district.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7983.003.

(i) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

(j) Any new district created by the division of the district
must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7983.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7983.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7983.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7983.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.

Sec. 7983.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 633 (H.B. 4309), Sec. 1, eff. September 1, 2017.
CHAPTER 7985. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 157

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7985.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 157.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

Sec. 7985.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

Sec. 7985.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

Sec. 7985.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7985.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff.
Sec. 7985.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

Sec. 7985.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7985.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7985.052, directors serve staggered four-year terms.
Sec. 7985.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7985.003; or

(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 7985.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7985.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7985.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff.
Sec. 7985.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

Sec. 7985.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

Sec. 7985.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.
Sec. 7985.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7985.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7985.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

Sec. 7985.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7985.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

Sec. 7985.153. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

### SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

#### Sec. 7985.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

#### Sec. 7985.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 456 (S.B. 1261), Sec. 1, eff. September 1, 2017.

#### Sec. 7985.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
CHAPTER 7986. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT No. 158
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7986.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 158.

Sec. 7986.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7986.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7986.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7986.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 7986.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  (a)  The district is created to serve a public purpose and benefit.  
(b)  The district is created to accomplish the purposes of:  
(1)  a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and 
(2)  Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7986.006. INITIAL DISTRICT TERRITORY.  (a)  The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.  
(b)  The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure.  A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:  
(1)  organization, existence, or validity;  
(2)  right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;  
(3)  right to impose a tax; or  
(4)  legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 7986.051. GOVERNING BODY; TERMS.  (a)  The district is governed by a board of five elected directors.  
(b)  Except as provided by Section 7986.052, directors serve staggered four-year terms.
Sec. 7986.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 7986.003; or
(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 7986.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 7986.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 458 (S.B. 1526), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7986.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 458 (S.B. 1526), Sec. 1, eff.
Sec. 7986.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 458 (S.B. 1526), Sec. 1, eff. September 1, 2017.

Sec. 7986.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 458 (S.B. 1526), Sec. 1, eff. September 1, 2017.

Sec. 7986.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 458 (S.B. 1526), Sec. 1, eff. September 1, 2017.
Sec. 7986.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 458 (S.B. 1526), Sec. 1, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7986.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7986.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 458 (S.B. 1526), Sec. 1, eff. September 1, 2017.

Sec. 7986.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7986.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 458 (S.B. 1526), Sec. 1, eff. September 1, 2017.

Sec. 7986.153. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 458 (S.B. 1526), Sec. 1, eff. September 1, 2017.

### SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

#### Sec. 7986.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 458 (S.B. 1526), Sec. 1, eff. September 1, 2017.

#### Sec. 7986.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 458 (S.B. 1526), Sec. 1, eff. September 1, 2017.

#### Sec. 7986.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
For contingent expiration of this chapter, see Section 7987.004.

CHAPTER 7987. NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7987.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the New Fairview Municipal Utility District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.004. CONSENT OF MUNICIPALITY AND DEVELOPMENT AGREEMENT REQUIRED. (a) The temporary directors may not hold an election under Section 7987.003, undertake an improvement project, impose taxes or fees, or issue bonds or otherwise borrow money until each municipality in whose corporate limits or extraterritorial...
jurisdiction the district is located has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and

(2) entered into a development agreement under Section 212.172, Local Government Code, with an owner or owners of a majority of the land described by Section 2 of the Act enacting this chapter.

(b) If a development agreement described by Subsection (a)(2) has not been executed before March 1, 2019:

(1) the temporary directors may not call a confirmation election under Section 7987.003;

(2) the district is dissolved; and

(3) this chapter expires March 1, 2020.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest
on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.007. CITY CONSENT TO CREATION OF DISTRICT. The city's consent to the creation of the district is not subject to the limitations on the conditions or other restrictions the city may place on its consent under Section 42.042, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7987.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 7987.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 7987.003; or
(2) September 1, 2021.
(c) If permanent directors have not been elected under Section 7987.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 7987.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7987.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements,
including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.106. CITY REQUIREMENTS. An improvement project in the district must comply with applicable requirements of the city, including codes and ordinances, unless a requirement is specifically waived or superseded by a development agreement entered into under Section 7987.107 or another agreement with the city applicable to property located in the district.
Sec. 7987.107. DEVELOPMENT AND OPERATING AGREEMENT REQUIRED. After the district’s board is organized, but before the district may undertake any improvement project, impose taxes or fees, or issue bonds or otherwise borrow money, the district must become a party to and assume all applicable obligations, requirements, and limitations in the development agreement entered into between the city and the owner or owners of a majority of land in the district, including any limitation imposed by the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7987.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7987.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7987.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.
Sec. 7987.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

CHAPTER 7988. NORTH HAYS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 7988.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the North Hays County Municipal Utility District No. 2.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.

Sec. 7988.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.

Sec. 7988.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.
Sec. 7988.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7988.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.

Sec. 7988.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.

Sec. 7988.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.
SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 7988.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five elected directors.
(b) Except as provided by Section 7988.052, directors serve
staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff.
June 12, 2017.

Sec. 7988.052. TEMPORARY DIRECTORS. (a) The temporary board
consists of:
(1) Hillary Sotello;
(2) Paul Byars;
(3) Meghan Skornia;
(4) Bailey Harrington; and
(5) Kevin Howard.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section
7988.003; or
(2) the fourth anniversary of the effective date of the Act
enacting this chapter.
(c) If permanent directors have not been elected under Section
7988.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier
of:
(1) the date permanent directors are elected under Section
7988.003; or
(2) the fourth anniversary of the date of the appointment
or reappointment.
(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons
named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff.

Statute text rendered on: 6/18/2019 - 5196 -
Sec. 7988.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.

Sec. 7988.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.

Sec. 7988.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.

Sec. 7988.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision
requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.

Sec. 7988.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.

Sec. 7988.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt; and
(2) the district is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7988.003 to confirm the creation of the district.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the
territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities
   between or among the new districts.
   (g) On or before the 30th day after the date of adoption of an
   order dividing the district, the district shall file the order with
   the commission and record the order in the real property records of
   each county in which the district is located.
   (h) Any new district created by the division of the district
   shall hold a confirmation and directors' election as required by
   Section 7988.003.
   (i) If the creation of the new district is confirmed, the new
   district shall provide the election date and results to the
   commission.
   (j) Any new district created by the division of the district
   must hold an election as required by this chapter to obtain voter
   approval before the district may impose a maintenance tax or issue
   bonds payable wholly or partly from ad valorem taxes.
   (k) Municipal consent to the creation of the district and to
   the inclusion of land in the district granted under Section 7988.004
   acts as municipal consent to the creation of any new district created
   by the division of the district and to the inclusion of land in the
   new district.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff.
June 12, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 7988.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations
secured by:
   (1) revenue other than ad valorem taxes; or
   (2) contract payments described by Section 7988.153.
   (b) The district must hold an election in the manner provided
by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.
   (c) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an 
election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. 
June 12, 2017.

Sec. 7988.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 7988.151, the district 
may impose an operation and maintenance tax on taxable property in 
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not 
exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. 
June 12, 2017.

Sec. 7988.153. CONTRACT TAXES. (a) In accordance with Section 
49.108, Water Code, the district may impose a tax other than an 
operation and maintenance tax and use the revenue derived from the 
tax to make payments under a contract after the provisions of the 
contract have been approved by a majority of the district voters 
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a 
provision stating that the contract may be modified or amended by the 
board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. 
June 12, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7988.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. 
The district may issue bonds or other obligations payable wholly or 
partly from ad valorem taxes, impact fees, revenue, contract 
payments, grants, or other district money, or any combination of 
those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. 
June 12, 2017.
Sec. 7988.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.

Sec. 7988.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 657 (S.B. 2245), Sec. 1, eff. June 12, 2017.

CHAPTER 7989. MEYER RANCH MUNICIPAL UTILITY DISTRICT OF COMAL COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7989.001. DEFINITION. In this chapter, "district" means the Meyer Ranch Municipal Utility District of Comal County.

Added by Acts 2017, 85th Leg., R.S., Ch. 676 (S.B. 2292), Sec. 1, eff. June 12, 2017.

Sec. 7989.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 676 (S.B. 2292), Sec. 1, eff. June 12, 2017.

Sec. 7989.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 676 (S.B. 2292), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7989.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 676 (S.B. 2292), Sec. 1, eff. June 12, 2017.

Sec. 7989.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 676 (S.B. 2292), Sec. 1, eff. June 12, 2017.

Sec. 7989.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 676 (S.B. 2292), Sec. 1, eff. June 12, 2017.
Sec. 7989.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 676 (S.B. 2292), Sec. 1, eff. June 12, 2017.

Sec. 7989.055. LIMITATION ON USE OF EMINENT DOMAIN. (a) The district may not exercise the power of eminent domain outside the boundaries of the district for any purpose unless the proposed exercise is approved by a written resolution of the commissioners court of each county in which the district is located.

(b) The district may not exercise the power of eminent domain before the entire board of directors is composed of directors elected by the residents of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 676 (S.B. 2292), Sec. 1, eff. June 12, 2017.

Sec. 7989.056. COMPLIANCE WITH MARCH 2016 AGREEMENT. On the date the district becomes a permittee under Texas Pollutant Discharge Elimination System Permit No. WQ0015314001, the district shall exercise any power necessary to comply with all applicable terms of the "Settlement Agreement" of March 29, 2016, between Randolph Todd Company, LLC and:

(1) Patricia and Troy Brand;
(2) Ellen McClellan;
(3) Edward Harris;
(4) Phyllis Yvonne Ritter;
(5) Carole Farmer;
(6) Nelda and Ronald Davis;
(7) Susan Dooley Logue;
(8) Randall and Nancy Pappas;
(9) Daniel and Michele Laroe;
(10) Elizabeth Martin;
(11) Ted Martin;
(12) Taylor Martin;
(13) Hector X. Amaya;
(14) Sabrina Houser-Amaya;
(15) Franklin Houser; and
(16) Bonnie Houser.

Added by Acts 2017, 85th Leg., R.S., Ch. 676 (S.B. 2292), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7989.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7989.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 676 (S.B. 2292), Sec. 1, eff. June 12, 2017.

Sec. 7989.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 7989.103. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 7990.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Lago Bello Municipal Utility District No. 1 of Harris County.

Sec. 7990.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7990.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.
Sec. 7990.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7990.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 7990.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7990.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or
Sec. 7990.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors. (b) Except as provided by Section 7990.052, directors serve staggered four-year terms.

Sec. 7990.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of: (1) the date permanent directors are elected under Section 7990.003; or (2) September 1, 2021.

(c) If permanent directors have not been elected under Section 7990.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of: (1) the date permanent directors are elected under Section 7990.003; or (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor directors...
temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7990.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

Sec. 7990.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

Sec. 7990.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

Sec. 7990.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

Sec. 7990.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

Sec. 7990.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7990.003 to confirm the district's creation.
(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7990.003. If the voters of a new district do not confirm the creation of the new district, the assets, obligations, territory, and governance of the new district revert to the original district.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 7990.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7990.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
   (1) revenue other than ad valorem taxes; or
   (2) contract payments described by Section 7990.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

Sec. 7990.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7990.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

Sec. 7990.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7990.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 7990.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

Sec. 7990.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 791 (H.B. 2687), Sec. 1, eff. September 1, 2017.

CHAPTER 7991. RIVER RANCH MUNICIPAL UTILITY DISTRICT OF LIBERTY COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7991.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the River Ranch Municipal Utility District of Liberty County.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7991.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.
Sec. 7991.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7991.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7991.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Coby Trent Elliott;

(2) Darrian Rainer Wright;

(3) Alma Lopez;

(4) Rosemarie S. Vitullo; and


(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7991.003; or

(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 7991.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7991.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7991.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance
macadamized, graveled, or paved roads or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) the requirements of Subsection (k) have been met.

(b) This chapter applies to any new district created by the
division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7991.003 to confirm the creation of the district.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7991.003.

(i) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the municipality by resolution or ordinance consents to the division of the district. If the district is not located wholly or partly in the corporate limits or extraterritorial jurisdiction of a
municipality, the district may not divide under this section unless
the commissioners court of each county in which the district is
wholly or partly located adopts a resolution or order consenting to
the division of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff.
June 1, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

**Sec. 7991.151.** ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations
secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided
by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff.
June 1, 2017.

**Sec. 7991.152.** OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 7991.151, the district
may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff.
June 1, 2017.

**Sec. 7991.153.** CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an
operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.154. WATER AND SEWER RATES. Notwithstanding any other law, the district shall establish the same rates for residential and commercial classes of customers for the provision of water and sewer services. For purposes of this section, the commercial class may not include apartment complexes or other multifamily dwellings.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7991.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

Sec. 7991.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.
Sec. 7991.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 1, eff. June 1, 2017.

CHAPTER 7992. LAKEWOOD MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7992.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Lakewood Municipal Utility District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.
Sec. 7992.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7992.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;

2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

3. right to impose a tax; or

4. legality or operation.
Sec. 7992.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.  
(b) Except as provided by Section 7992.052, directors serve staggered four-year terms.

Sec. 7992.052. TEMPORARY DIRECTORS.  (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.  
(b) Temporary directors serve until the earlier of:  
(1) the date permanent directors are elected under Section 7992.003; or  
(2) September 1, 2021.  
(c) If permanent directors have not been elected under Section 7992.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:  
(1) the date permanent directors are elected under Section 7992.003; or  
(2) the fourth anniversary of the date of the appointment or reappointment.  
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 7992.101.  GENERAL POWERS AND DUTIES.  The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.102.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.  The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.103.  AUTHORITY FOR ROAD PROJECTS.  Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.104.  ROAD STANDARDS AND REQUIREMENTS.  (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project
must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more districts only if:

(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) the requirements of Subsection (i), as applicable, are satisfied.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7992.003 to confirm the district's creation.
(f) An order dividing the district shall:
(1) name the new district;
(2) include the metes and bounds of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between the district and each new district.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7992.003.

(i) If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the municipality by resolution or ordinance consents to the division of the district. If the district is not located wholly or partly in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the commissioners court of each county in which the district is wholly or partly located first adopts a resolution or order in support of the division of the district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7992.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7992.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.153. WATER AND SEWER RATES. Notwithstanding any other law, the district shall establish the same rates for residential and commercial classes of customers for the provision of water and sewer services. For purposes of this section, the commercial class may not include apartment complexes or other multifamily dwellings.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7992.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.
Sec. 7992.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

Sec. 7992.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 665 (S.B. 2274), Sec. 1, eff. September 1, 2017.

CHAPTER 7993. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 50

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7993.001. DEFINITION. In this chapter, "district" means the Fort Bend County Municipal Utility District No. 50.

Added by Acts 2017, 85th Leg., R.S., Ch. 622 (H.B. 4277), Sec. 1, eff. June 12, 2017.

Sec. 7993.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 622 (H.B. 4277), Sec. 1, eff. June 12, 2017.

Sec. 7993.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 622 (H.B. 4277), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7993.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 622 (H.B. 4277), Sec. 1, eff. June 12, 2017.

Sec. 7993.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 622 (H.B. 4277), Sec. 1, eff. June 12, 2017.

Sec. 7993.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 622 (H.B. 4277), Sec. 1, eff. June 12, 2017.
Sec. 7993.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 622 (H.B. 4277), Sec. 1, eff. June 12, 2017.

Sec. 7993.055. AUTHORITY TO ESTABLISH DEFINED AREAS. Notwithstanding the acreage requirement under Section 54.801(a), Water Code, the district may establish and administer defined areas as provided by Subchapter J, Chapter 54, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 622 (H.B. 4277), Sec. 1, eff. June 12, 2017.

Sec. 7993.056. ADDITION OR EXCLUSION OF LAND IN DEFINED AREA. The district may add or exclude land from the defined areas in the same manner the district may add or exclude land from the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 622 (H.B. 4277), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7993.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project.
authorized by Section 7993.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 622 (H.B. 4277), Sec. 1, eff. June 12, 2017.

Sec. 7993.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 622 (H.B. 4277), Sec. 1, eff. June 12, 2017.

CHAPTER 7994. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 130

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7994.001. DEFINITION. In this chapter, "district" means the Fort Bend County Municipal Utility District No. 130.

Added by Acts 2017, 85th Leg., R.S., Ch. 625 (H.B. 4285), Sec. 1, eff. June 12, 2017.

Sec. 7994.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 625 (H.B. 4285), Sec. 1, eff. June 12, 2017.
Sec. 7994.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. 
(b) The district is created to accomplish the purposes of: 
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 625 (H.B. 4285), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7994.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 625 (H.B. 4285), Sec. 1, eff. June 12, 2017.

Sec. 7994.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 625 (H.B. 4285), Sec. 1, eff. June 12, 2017.

Sec. 7994.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 625 (H.B. 4285), Sec. 1, eff.
Sec. 7994.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 625 (H.B. 4285), Sec. 1, eff. June 12, 2017.

Sec. 7994.055. AUTHORITY TO ESTABLISH DEFINED AREAS. Notwithstanding the acreage requirement under Section 54.801(a), Water Code, the district may establish and administer defined areas as provided by Subchapter J, Chapter 54, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 625 (H.B. 4285), Sec. 1, eff. June 12, 2017.

Sec. 7994.056. ADDITION OR EXCLUSION OF LAND IN DEFINED AREA. The district may add or exclude land from the defined areas in the same manner the district may add or exclude land from the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 625 (H.B. 4285), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7994.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other
obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7994.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 625 (H.B. 4285), Sec. 1, eff. June 12, 2017.

Sec. 7994.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 625 (H.B. 4285), Sec. 1, eff. June 12, 2017.

CHAPTER 7997. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 553

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7997.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 553.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.
Sec. 7997.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

Sec. 7997.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

Sec. 7997.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7997.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

Sec. 7997.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.
Sec. 7997.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7997.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7997.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

Sec. 7997.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

1. Ronda Rusk;
2. Michael Kim;
3. Mark Deruesse;
4. Scott Burleson; and
5. Art Musgrove.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 7997.003; or
2. the fourth anniversary of the effective date of the Act...
enacting this chapter.

(c) If permanent directors have not been elected under Section 7997.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7997.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 7997.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

Sec. 7997.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

Sec. 7997.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section
52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

Sec. 7997.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 7997.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

Sec. 7997.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.
Sec. 7997.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:
(1) a road project authorized by Section 7997.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7997.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7997.153.
(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

Sec. 7997.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7997.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.
Sec. 7997.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7997.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

Sec. 7997.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 631 (H.B. 4298), Sec. 1, eff. June 12, 2017.

Sec. 7997.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
Sec. 7998.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Harris County Municipal Utility District No. 554.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature,
Regular Session, for amendments affecting the following section.

Sec. 7998.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7998.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7998.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

1. Matthew O'Neill;
Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7998.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7998.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7998.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

Sec. 7998.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

Sec. 7998.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.
(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7998.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff.
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7998.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, eff. June 12, 2017.

Chapter 7998, consisting of Secs. 7998.001 to 7998.203, was added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1.

For another Chapter 7998, consisting of Secs. 7998.001 to 7998.203, added by Acts 2017, 85th Leg., R.S., Ch. 620 (H.B. 4272), Sec. 1, see
Sec. 7998.001 et seq., post.
CHAPTER 7998.  INGLESIDE MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A.  GENERAL PROVISIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Ingleside Municipal Utility District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.
Sec. 7998.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7998.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

Sec. 7998.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

Sec. 7998.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process
does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 7998.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Richard Dupriest;
(2) Raymond F. Wetegrove;
(3) Joseph M. Wetegrove;
(4) Jane Helm; and
(5) Steven Ray.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7998.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.
(c) If permanent directors have not been elected under Section 7998.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7998.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 7998.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7998.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 7998.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

Sec. 7998.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more districts only if:

(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) the requirements of Subsection (i), as applicable, are satisfied.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7998.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name the new district;
(2) include the metes and bounds of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities.
between the district and each new district.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7998.003.

(i) If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the municipality by resolution or ordinance consents to the division of the district. If the district is not located wholly or partly in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the commissioners court of each county in which the district is wholly or partly located first adopts a resolution or order in support of the division of the district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7998.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.153. WATER AND SEWER RATES. Notwithstanding any other law, the district shall establish the same rates for residential and commercial classes of customers for the provision of water and sewer services. For purposes of this section, the commercial class may not include apartment complexes or other multifamily dwellings.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4170, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 7998.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 621 (H.B. 4275), Sec. 1, eff. June 12, 2017.

CHAPTER 7999. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 555

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7999.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "City" means the City of Baytown.
(3) "Commission" means the Texas Commission on Environmental Quality.
(4) "Director" means a board member.
(5) "District" means the Harris County Municipal Utility District No. 555.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7999.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and
(2) entered into a development agreement with the owner or owners of the real property within the district regarding the municipality's requirements for developing or improving the land.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.
Sec. 7999.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7999.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7999.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.
Sec. 7999.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7999.003; or

(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 7999.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7999.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7999.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under
Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7999.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7999.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7999.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 7999.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

Sec. 7999.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.
SUBCHAPTER F.  ANNEXATION BY CITY

Sec. 7999.251.  EFFECT OF ANNEXATION BY CITY.  (a) Notwithstanding any other law, if all of the territory of the district is annexed by the city into the corporate limits of the city before the date of the election held to confirm the creation of the district and the district is confirmed at that election, the district may not be dissolved and continues in existence.

(b) Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the city and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on that property.

Added by Acts 2017, 85th Leg., R.S., Ch. 661 (S.B. 2267), Sec. 1, eff. September 1, 2017.

CHAPTER 8001.  LERIN HILLS MUNICIPAL UTILITY DISTRICT OF KENDALL COUNTY

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8001.001.  DEFINITION.  In this chapter, "district" means the Lerin Hills Municipal Utility District of Kendall County.

Added by Acts 2017, 85th Leg., R.S., Ch. 660 (S.B. 2263), Sec. 1, eff. June 12, 2017.

Sec. 8001.002.  NATURE AND PURPOSES OF DISTRICT.  (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is essential to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
SUBCHAPTER B. POWERS AND DUTIES

Sec. 8001.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes described by Section 8001.002.

Sec. 8001.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8001.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8001.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project
must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 660 (S.B. 2263), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8001.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8001.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 660 (S.B. 2263), Sec. 1, eff. June 12, 2017.

Sec. 8001.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 660 (S.B. 2263), Sec. 1, eff. June 12, 2017.
Sec. 8002.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 61.

Added by Acts 2017, 85th Leg., R.S., Ch. 637 (H.B. 4324), Sec. 1, eff. June 12, 2017.

Sec. 8002.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 637 (H.B. 4324), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8002.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 637 (H.B. 4324), Sec. 1, eff. June 12, 2017.

Sec. 8002.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 637 (H.B. 4324), Sec. 1, eff. June 12, 2017.
Sec. 8002.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 637 (H.B. 4324), Sec. 1, eff. June 12, 2017.

Sec. 8002.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 637 (H.B. 4324), Sec. 1, eff. June 12, 2017.

Sec. 8002.055. AUTHORITY TO ESTABLISH DEFINED AREAS. Notwithstanding the acreage requirement under Section 54.801(a), Water Code, the district may establish and administer defined areas as provided by Subchapter J, Chapter 54, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 637 (H.B. 4324), Sec. 1, eff. June 12, 2017.

Sec. 8002.056. ADDITION OR EXCLUSION OF LAND IN DEFINED AREA.
The district may add or exclude land from the defined areas in the same manner the district may add or exclude land from the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 637 (H.B. 4324), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS**

Sec. 8002.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS.  (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8002.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 637 (H.B. 4324), Sec. 1, eff. June 12, 2017.

Sec. 8002.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 637 (H.B. 4324), Sec. 1, eff. June 12, 2017.

**CHAPTER 8003. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 159**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8003.001. DEFINITIONS. In this chapter:
Sec. 8003.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

Sec. 8003.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

Sec. 8003.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8003.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

Sec. 8003.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and
       Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that
       relate to the construction, acquisition, improvement, operation, or
       maintenance of macadamized, graveled, or paved roads, or
       improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff.
June 12, 2017.

Sec. 8003.006. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act enacting this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process
does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for
       which the district is created or to pay the principal of and interest
       on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff.
June 12, 2017.

**SUBCHAPTER B. BOARD OF DIRECTORS**
Sec. 8003.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five elected directors.
(b) Except as provided by Section 8003.052, directors serve
staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff.
June 12, 2017.

Sec. 8003.052. TEMPORARY DIRECTORS. (a) The temporary board
consists of:
   (1) Roxanne Ellis;
   (2) Elizabeth Galvan;
   (3) George Moody;
   (4) Doug OwYang; and
   (5) Nick Terry.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8003.003; or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8003.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8003.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8003.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

Sec. 8003.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

Sec. 8003.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

Sec. 8003.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

Sec. 8003.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under
Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8003.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8003.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

Sec. 8003.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8003.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

Sec. 8003.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8003.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

Sec. 8003.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.

Sec. 8003.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 662 (S.B. 2268), Sec. 1, eff. June 12, 2017.
CHAPTER 8004.  LAKEWOOD MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8004.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Lakewood Municipal Utility District No. 2.
Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

Sec. 8004.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8004.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8004.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 8004.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.
Sec. 8004.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

Sec. 8004.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8004.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8004.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.
Sec. 8004.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8004.003; or

(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 8004.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8004.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8004.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

Sec. 8004.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

Sec. 8004.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

Sec. 8004.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

Sec. 8004.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under...
Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

Sec. 8004.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more districts only if:

(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) the requirements of Subsection (i), as applicable, are satisfied.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8004.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name the new district;
(2) include the metes and bounds of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between the district and each new district.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8004.003.
If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the municipality by resolution or ordinance consents to the division of the district. If the district is not located wholly or partly in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the commissioners court of each county in which the district is wholly or partly located first adopts a resolution or order in support of the division of the district.

Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8004.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

Sec. 8004.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8004.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

Sec. 8004.153. WATER AND SEWER RATES. Notwithstanding any other law, the district shall establish the same rates for residential and commercial classes of customers for the provision of water and sewer services. For purposes of this section, the commercial class may not include apartment complexes or other multifamily dwellings.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8004.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

Sec. 8004.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff. September 1, 2017.

Sec. 8004.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 666 (S.B. 2275), Sec. 1, eff.
September 1, 2017.

CHAPTER 8005. LAKEWOOD MUNICIPAL UTILITY DISTRICT NO. 3
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8005.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on
Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Lakewood Municipal Utility
District No. 3.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff.
September 1, 2017.

Sec. 8005.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas
Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff.
September 1, 2017.

Sec. 8005.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as
provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff.
September 1, 2017.

Sec. 8005.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary
directors may not hold an election under Section 8005.003 until each
municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.

Sec. 8005.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.

Sec. 8005.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.
Sec. 8005.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8005.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.

Sec. 8005.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8005.003; or
(2) September 1, 2021.
(c) If permanent directors have not been elected under Section 8005.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8005.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8005.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.

Sec. 8005.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.

Sec. 8005.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.

Sec. 8005.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.

Sec. 8005.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.

Sec. 8005.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more districts only if:

(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) the requirements of Subsection (i), as applicable, are satisfied.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8005.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name the new district;
(2) include the metes and bounds of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between the district and each new district.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8005.003.

(i) If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the municipality by resolution or ordinance consents to the division of the district. If the district is not located wholly or partly in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the commissioners court of each county in which the district is wholly or partly located first adopts a resolution or order in support of the division of the district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8005.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.
Sec. 8005.152.  OPERATION AND MAINTENANCE TAX.  (a) If authorized at an election held under Section 8005.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8005.153.  WATER AND SEWER RATES.  Notwithstanding any other law, the district shall establish the same rates for residential and commercial classes of customers for the provision of water and sewer services. For purposes of this section, the commercial class may not include apartment complexes or other multifamily dwellings.

Subchapter E.  Bonds and Other Obligations

Sec. 8005.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8005.202.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part...
of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.

Sec. 8005.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 668 (S.B. 2277), Sec. 1, eff. September 1, 2017.

CHAPTER 8007. WISE COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8007.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Wise County Municipal Utility District No. 4.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

Sec. 8007.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

Sec. 8007.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

Sec. 8007.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8007.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

Sec. 8007.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

Sec. 8007.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8007.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8007.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

Sec. 8007.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8007.003; or

(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 8007.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8007.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8007.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

Sec. 8007.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

Sec. 8007.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

Sec. 8007.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and
subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

Sec. 8007.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8007.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8007.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.
Sec. 8007.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8007.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8007.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 8007.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8007.202. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

Sec. 8007.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 638 (H.B. 4325), Sec. 1, eff. September 1, 2017.

CHAPTER 8008. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 34

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8008.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Williamson County Municipal Utility District No. 34.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

Sec. 8008.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.
Sec. 8008.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

Sec. 8008.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8008.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

Sec. 8008.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. 
(b) The district is created to accomplish the purposes of: 
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and 
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

Sec. 8008.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8008.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8008.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

Sec. 8008.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8008.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8008.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8008.003; or
(2) the fourth anniversary of the date of the appointment.
or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8008.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

Sec. 8008.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

Sec. 8008.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.
Sec. 8008.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

Sec. 8008.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) In addition to all the rights and remedies provided by other law, if the district violates the terms of an ordinance or resolution described by Subsection (a), the municipality is entitled to injunctive relief or a writ of mandamus issued by a court requiring the district and the district's officials to observe and comply with the terms of the ordinance or resolution.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

Sec. 8008.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district without the written consent of the City of Weir.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8008.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

Sec. 8008.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8008.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8008.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff. June 12, 2017.

Sec. 8008.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct
ad valorem tax, without limit as to rate or amount, while all or part
of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff.
June 12, 2017.

Sec. 8008.203. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 642 (H.B. 4340), Sec. 1, eff.
June 12, 2017.

CHAPTER 8010. LIBERTY COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8010.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on
Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Liberty County Municipal Utility
District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff.
June 12, 2017.

Sec. 8010.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas
Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff.
June 12, 2017.
Sec. 8010.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8010.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8010.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8010.053, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.052. QUALIFICATIONS. Except for temporary directors appointed under Sections 8010.053(a)(1)-(3), to be qualified to serve as a director a person must meet the requirements of Section 54.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.053. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) two directors appointed by the Liberty County Commissioners Court;
(2) two directors appointed by the Cleveland Independent School District; and
(3) one director appointed by the landowner of a majority of the assessed real property in the district.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8010.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8010.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8010.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the temporary directors shall recommend to the commission persons to serve as successor temporary directors. After reviewing the recommendations, the commission shall approve or disapprove the successor temporary directors. If the commission is not satisfied with the recommendations, the commission may request additional recommendations. On request by the commission, the temporary directors shall submit additional recommendations.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8010.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.
Sec. 8010.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.
Sec. 8010.106. APPLICATION OF OTHER LAW. Chapters 232 and 233, Local Government Code, apply to the district. For the purposes of those chapters, the district may take action in the same manner as a county.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt; and
(2) the district is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8010.003 to confirm the creation of the district.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by
Section 8010.003.

(i) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8010.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8010.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8010.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(d) Before the district may issue bonds, the district must enter into an agreement with the developer, the Cleveland Independent School District, and Liberty County for the transfer of land for use as the sites of facilities for the school district and for emergency services.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.
Sec. 8010.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8010.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8010.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by
Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

Sec. 8010.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 1, eff. June 12, 2017.

CHAPTER 8011. FAR NORTH FORT WORTH MUNICIPAL UTILITY DISTRICT NO. 1 OF TARRANT AND WISE COUNTIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8011.001. DEFINITION. In this chapter, "district" means the Far North Fort Worth Municipal Utility District No. 1 of Tarrant and Wise Counties.

Added by Acts 2017, 85th Leg., R.S., Ch. 639 (H.B. 4331), Sec. 1, eff. June 12, 2017.

Sec. 8011.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 639 (H.B. 4331), Sec. 1, eff. June 12, 2017.
SUBCHAPTER B. POWERS AND DUTIES

Sec. 8011.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 639 (H.B. 4331), Sec. 1, eff. June 12, 2017.

Sec. 8011.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 639 (H.B. 4331), Sec. 1, eff. June 12, 2017.

Sec. 8011.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 639 (H.B. 4331), Sec. 1, eff. June 12, 2017.

Sec. 8011.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 639 (H.B. 4331), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8011.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8011.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 639 (H.B. 4331), Sec. 1, eff. June 12, 2017.

Sec. 8011.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 639 (H.B. 4331), Sec. 1, eff. June 12, 2017.

CHAPTER 8012. RIVERSIDE MUNICIPAL UTILITY DISTRICT OF LIBERTY COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8012.001. DEFINITIONS. In this chapter:
Sec. 8012.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8012.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law
       and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that
       relate to the construction, acquisition, or improvement of
       macadamized, graveled, or paved roads or improvements, including
       storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.006. INITIAL DISTRICT TERRITORY. (a) The district
   is initially composed of the territory described by Section 4 of the
   Act enacting this chapter.
   (b) The boundaries and field notes contained in Section 4 of
       the Act enacting this chapter form a closure. A mistake made in the
       field notes or in copying the field notes in the legislative process
       does not affect the district's:
       (1) organization, existence, or validity;
       (2) right to issue any type of bond for the purposes for
           which the district is created or to pay the principal of and interest
           on a bond;
       (3) right to impose a tax; or
       (4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8012.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five elected directors.
   (b) Except as provided by Section 8012.052, directors serve
       staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.052. TEMPORARY DIRECTORS. (a) The temporary board
consists of:
(1) Will King;
(2) Micky Redus;
(3) Jim Smesny;
(4) Dorothy Badgett; and
(5) Daniel Walker.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8012.003; or
(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 8012.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8012.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8012.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the
creation of the district or to the inclusion of land in the district. Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

**Sec. 8012.106. DIVISION OF DISTRICT.** (a) The district may be divided into two or more new districts only if:

1. the district has no outstanding bonded debt;
2. the district is not imposing ad valorem taxes; and
3. the requirements of Subsection (k) have been met.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 4 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8012.003 to confirm the creation of the district.

(f) An order dividing the district shall:

1. name each new district;
2. include the metes and bounds description of the territory of each new district;
3. appoint temporary directors for each new district; and
4. provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8012.003.

(i) If the creation of the new district is confirmed, the new
district shall provide the election date and results to the commission.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the municipality by resolution or ordinance consents to the division of the district. If the district is not located wholly or partly in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the commissioners court of each county in which the district is wholly or partly located adopts a resolution or order consenting to the division of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8012.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8012.151, the district may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.154. WATER AND SEWER RATES. Notwithstanding any other law, the district shall establish the same rates for residential and commercial classes of customers for the provision of water and sewer services. For purposes of this section, the commercial class may not include apartment complexes or other multifamily dwellings.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8012.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff.
Sec. 8012.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

Sec. 8012.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 222 (S.B. 321), Sec. 3, eff. June 1, 2017.

For contingent expiration of this chapter, see Section 8013.004.

CHAPTER 8013. RIO DE VIDA MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8013.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Austin, Texas.
(3) "Commission" means the Texas Commission on Environmental Quality.
(4) "County" means Travis County.
(5) "Director" means a board member.
(6) "District" means the Rio de Vida Municipal Utility District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.
Sec. 8013.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect four permanent directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.004. CONSENT OF CITY REQUIRED. (a) The temporary directors may not hold an election under Section 8013.003 until the city has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) If the city does not consent to the creation of the district under this section before February 14, 2020:

(1) the district is dissolved February 14, 2020, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to the city or another local governmental entity to be used for a public purpose; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires February 14, 2020.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law
and Section 59, Article XVI, Texas Constitution;
(2) Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, improvement, operation, or
maintenance of macadamized, graveled, or paved roads, or
improvements, including storm drainage, in aid of those roads; and
(3) Section 52-a, Article III, Texas Constitution.

(c) By creating the district and in authorizing the city, the
county, and other political subdivisions to contract with the
district, the legislature has established a program to accomplish the
public purposes set out in Section 52-a, Article III, Texas
Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01,
eff. June 12, 2017.

Sec. 8013.006. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 1.02 of
the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 1.02 of
the Act enacting this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process
does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest
on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01,
eff. June 12, 2017.

Sec. 8013.007. ELIGIBILITY FOR INCLUSION IN TAX ABATEMENT
REINVESTMENT ZONE. All or any part of the area of the district is
eligible to be included in a tax abatement reinvestment zone under
Chapter 312, Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01,
eff. June 12, 2017.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8013.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) A director may not serve more than two full terms of four years.

(c) The board consists of:
   (1) four elected directors; and
   (2) one director appointed by the governing body of the city.

(d) A director appointed under Subsection (c)(2) is not required to reside in the district or to own real property in the district.

(e) The common law doctrine of incompatibility does not disqualify an elected official or employee of the city from being appointed as a director by the governing body of the city under Subsection (c)(2). A director appointed to the board may continue to serve in a public office of or be employed by the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.052. QUALIFICATIONS. Except as provided by Section 8013.051(d), to qualify to serve on the board, a person must:

(1) reside in the district; or

(2) own real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.053. TEMPORARY DIRECTORS. (a) On or after the effective date of the article of the Act enacting this chapter, the owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors
the five persons named in the petition.

(b) Unless the district is dissolved and this chapter expires as provided by Section 8013.004, temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 8013.003; or
2. September 1, 2021.

(c) Section 8013.052 does not apply to a director appointed under this section.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8013.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or the city for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01,
Sec. 8013.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of the city.

(b) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.105. COMPLIANCE WITH CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district, including affordable housing requirements established in the consent agreement.

(b) Any agreement between the district and the city related to the city's consent to the creation of the district is valid and enforceable.

(c) On the issuance of bonds, the district is considered to have acknowledged and consented to the exercise of the city's authority as to actions taken by the city under Section 54.016(g), Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.106. CONTRACT TO FURTHER REGIONAL COOPERATION. The district and city may contract on terms that the board and governing body of the city agree will further regional cooperation between the district and city.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.
Sec. 8013.107. GRADING AND IMPROVEMENTS TO LAND IN THE DISTRICT. The district may construct, acquire, improve, maintain, finance, or operate a facility or improvement related to reclaiming or grading land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.108. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8013.151. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.153. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 1.02 of the Act enacting this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01,
Sec. 8013.154. CONSENT OF CITY OR COUNTY. If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of the city, the district may not divide under this subchapter unless the city by resolution or ordinance first consents to the division of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.155. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8013.003 to confirm the district's creation.

(c) An order dividing the district must:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between the new districts.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.156. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a sales and use tax or an operation and maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter.
Sec. 8013.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8013.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8013.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8013.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) If required by an agreement between the district and city under Section 8013.106, the total ad valorem tax rate of the district may not be less than the total ad valorem tax rate of the city.

Sec. 8013.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8013.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, sales and use taxes, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.
Sec. 8013.301. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.
(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.302. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if:
(1) the city consents to the adoption of the tax; and
(2) the tax is authorized by a majority of the voters of the district voting at an election held for that purpose.
(b) Subject to city consent under Subsection (a), the board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.
(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Section 8013.201.
(d) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the (insert name of district or name of new district created under Subchapter D) at a rate not to exceed ____ percent" (insert rate of one or more increments of one-eighth of one percent).

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.303. SALES AND USE TAX RATE. (a) Not later than the 10th day after the date the results are declared of an election held under Section 8013.302, at which the voters approved imposition of the tax authorized by this subchapter, the board shall determine the
initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) After the election held under Section 8013.302, the board may decrease the rate of the tax by one or more increments of one-eighth of one percent.

(c) The rate of the tax may not exceed the lesser of:

1. the maximum rate authorized by the district voters at the election held under Section 8013.302;
2. a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate prescribed by Section 321.101(f), Tax Code, at any location in the district; or
3. the sales and use tax rate adopted by the City of Austin.

(d) The board shall notify the comptroller of any changes made to the tax rate in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.304. USE OF REVENUE. Revenue from the sales and use tax imposed under this subchapter is for the use and benefit of the district and may be used for any district purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.305. ABOLITION OF TAX. (a) The board may abolish the tax imposed under this subchapter without an election.

(b) If the board abolishes the tax, the board shall notify the comptroller of that action in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

(c) If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held.
under Section 8013.302 before the district may subsequently impose the tax.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

**SUBCHAPTER H. MUNICIPAL ANNEXATION AND DISSOLUTION**

Sec. 8013.401. APPLICABILITY OF LAW ON WATER-RELATED SPECIAL DISTRICT THAT BECOMES PART OF NOT MORE THAN ONE MUNICIPALITY. Section 43.075, Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.402. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for an original or renewed term of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.403. NOTICE OF FUTURE CITY ANNEXATION REQUIRED. (a) Not later than the 30th day after the date the city consents to the creation of the district and to the inclusion of land in the district under Section 8013.004(a), the city shall file, in the real property records of the county, a notice to a purchaser of real property in the district that describes:

(1) the city's authority and intention to annex the district; and

(2) the anticipated date of the annexation.

(b) After the notice is filed, a person who proposes to sell or
otherwise convey real property in the district must provide a copy of
the notice to a purchaser of the property before selling or conveying
the property to the purchaser.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01,
eff. June 12, 2017.

CHAPTER 8014. WILLACY COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8014.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Willacy County Municipal Utility District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff.
June 12, 2017.

Sec. 8014.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff.
June 12, 2017.

Sec. 8014.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff.
June 12, 2017.

Sec. 8014.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8014.003 until each
municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.

Sec. 8014.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.

Sec. 8014.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8014.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8014.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.

Sec. 8014.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Charles E. Wetegrove;
(2) Raymond F. Wetegrove;
(3) Joseph M. Wetegrove;
(4) Fred Ballard; and
(5) Craig Childs.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8014.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.
(c) If permanent directors have not been elected under Section 8014.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8014.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8014.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.

Sec. 8014.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.

Sec. 8014.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.

Sec. 8014.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8014.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the
plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.

Sec. 8014.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.

Sec. 8014.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) the requirements of Subsection (k) have been met.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8014.003 to confirm the creation of the district.

(f) An order dividing the district shall:
(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8014.003.

(i) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the municipality by resolution or ordinance consents to the division of the district. If the district is not located wholly or partly in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the commissioners court of each county in which the district is wholly or partly located adopts a resolution or order consenting to the division of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.

Sec. 8014.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8014.103; or
(2) a recreational facility as defined by Section 49.462,

Sec. 8014.151. Elections Regarding Taxes or Bonds. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8014.152. Operation and Maintenance Tax. (a) If authorized at an election held under Section 8014.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8014.153. Water and Sewer Rates. Notwithstanding any other law, the district shall establish the same rates for residential and commercial classes of customers for the provision of water and sewer services. For purposes of this section, the commercial class may not include apartment complexes or other multifamily dwellings.
Added by Acts 2017, 85th Leg., R.S., Ch. 641 (H.B. 4335), Sec. 1, eff. June 12, 2017.

SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 8014.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8014.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8014.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Chapter 8015. Harris County Municipal Utility District No. 557

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8015.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on
Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Harris County Municipal Utility District No. 557.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

Sec. 8015.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

Sec. 8015.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

Sec. 8015.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8015.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

Sec. 8015.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law
and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

Sec. 8015.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8015.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8015.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

Sec. 8015.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) _______________;
(2) _______________;
(3) _______________;
(4) _______________; and
(5) _______________.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8015.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8015.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8015.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8015.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

Sec. 8015.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to
municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff.
June 12, 2017.

Sec. 8015.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section
52, Article III, Texas Constitution, the district may design,
acquire, construct, finance, issue bonds for, improve, and convey to
this state, a county, or a municipality for operation and maintenance
macadamized, graveled, or paved roads described by Section 54.234,
Water Code, or improvements, including storm drainage, in aid of
those roads.

(b) The district may exercise the powers provided by this
section without submitting a petition to or obtaining approval from
the commission as required by Section 54.234, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff.
June 12, 2017.

Sec. 8015.104. APPROVAL OF ROAD PROJECT. (a) The district may
not undertake a road project authorized by Section 8015.103 unless:

(1) each municipality or county that will operate and
maintain the road has approved the plans and specifications of the
road project, if a municipality or county will operate and maintain
the road; or

(2) the Texas Transportation Commission has approved the
plans and specifications of the road project, if the state will
operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not
required to obtain approval from the Texas Transportation Commission
to design, acquire, construct, finance, issue bonds for, improve, or
convey a road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff.
June 12, 2017.
Sec. 8015.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8015.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8015.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

Sec. 8015.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8015.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

Sec. 8015.153. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8015.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

Sec. 8015.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 675 (S.B. 2290), Sec. 1, eff. June 12, 2017.

Sec. 8015.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
CHAPTER 8101. ATHENS MUNICIPAL WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8101.001. DEFINITIONS. In this chapter:
(1) "Authority" means the Athens Municipal Water Authority.
(2) "Board" means the authority's board of directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.002. NATURE OF AUTHORITY. The authority is a conservation and reclamation district in Henderson County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.003. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a) The legislature finds that the authority is created to serve a public use and benefit.
(b) The authority is created under and is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(c) The accomplishment of the purposes stated in this chapter are for the benefit of the people of this state and for the improvement of their properties and industries. The authority in carrying out the purposes of this chapter will be performing an essential public function under the constitution of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.005(a), eff. September 1, 2007.

Sec. 8101.004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT TERRITORY

Sec. 8101.051. BOUNDARIES. The authority is in Henderson County and, unless modified as provided by Section 8101.052, by Subchapter J, Chapter 49, Water Code, or by Subchapter O, Chapter 51, Water Code, the boundaries of the authority are coextensive with the corporate limits of the city of Athens, Henderson County, Texas, as those corporate limits existed on September 1, 2003.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.005(b), eff. September 1, 2007.

Sec. 8101.052. ANNEXATIONS OF TERRITORY. (a) The board, as provided by this section, may annex territory the City of Athens annexes. The authority may not annex territory under this section if bonds supported by ad valorem taxes previously voted on remain unissued and unsold.

(b) The board by order may set a date for a hearing on the annexation and hold the hearing on that date.

(c) Notice of the hearing must:

(1) be posted in three public places in the territory proposed to be annexed at least 15 days before the date set for the hearing; and

(2) contain a statement of the nature and purpose of the hearing and the date, time, and place of the hearing.

(d) A person whose land is included in or would be affected by the annexation may:

(1) appear at the hearing to contest the annexation; and

(2) offer testimony to show that the annexation would or would not benefit land proposed to be annexed.

(e) The board shall enter a resolution ordering the annexation and designating the territory if the board finds as a result of the hearing that the proposed annexation is feasible and practicable and would benefit the land proposed to be annexed. The board may designate the territory by reference to the city's annexation
ordinance or in another manner.

(f) The board shall refuse the proposed annexation if the board finds as a result of the hearing that the annexation does not satisfy the requirements of Subsection (e).

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
  Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.005(c), eff. September 1, 2007.

Sec. 8101.053. LIMITATION ON ASSUMPTION OF TAX OBLIGATIONS.
(a) The authority may not impose on territory the authority annexes under Section 8101.052 a tax obligation the authority incurred before annexation unless:

1. the owners of the land annexed provide written consent for the assumption of that tax obligation; or
2. at an election held for that purpose in the territory, a majority of the voters of the territory approve the assumption of that tax obligation.

(b) The notice provisions of Section 49.106, Water Code, apply to an election held under this section.

(c) The election notice must be published in a newspaper published in the city of Athens. If a newspaper is not published in the city of Athens, it is sufficient to post notices at three public places in that city at least 28 days before the date of the election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. BOARD OF DIRECTORS
Sec. 8101.101. GENERAL POWERS. The board consists of five directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.102. ELIGIBILITY TO SERVE. (a) A director must reside in and own taxable property in the authority.

(b) A person may not serve as a director if the person is:
1. a member of a governing body of a municipality; or
(2) an employee of a municipality.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.103. DIRECTORS ELECTION. (a) The board shall issue an order for each directors election stating the time, place, and purpose of the election.

(b) Notice of a directors election shall be published in a newspaper of general circulation in the authority's territory one time at least 30 days before the date of the election.

(c) The appropriate number of candidates who receive the highest number of votes shall be declared elected.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.104. BALLOT PROCEDURE FOR CANDIDATES. (a) A person who wants to have the person's name printed on the ballot as a candidate for director must submit a petition to the board secretary requesting that action.

(b) The petition must be:

(1) signed by at least 50 qualified voters; and

(2) presented to the secretary not later than the 21st day before the date of the election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.105. APPOINTMENT OF SECRETARY AND TREASURER. The board shall appoint a secretary and a treasurer. The board may combine those offices. The secretary or treasurer is not required to be a director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.106. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 8101.107. DIRECTOR'S AND TREASURER'S BOND. (a) A director shall give bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The treasurer shall give bond in an amount required by the board, conditioned on the treasurer's faithfully accounting for all money that comes into the treasurer's custody.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.108. COMPENSATION. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director shall receive a fee not to exceed $10 for attending each board meeting and a fee not to exceed $10 for each day devoted to authority business.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8101.151. POWERS AND DUTIES. The authority has:
(1) all the powers of a governmental agency; and
(2) the rights, powers, privileges, and functions that:
   (A) may be contemplated and implied by Section 59, Article XVI, Texas Constitution; or
   (B) are conferred by the general laws of the state relating to water control and improvement districts, including Chapters 49 and 51, Water Code, unless those rights, powers, privileges, or functions conflict with this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.152. WATER SUPPLY AND DISTRIBUTION. (a) The authority may develop, construct, or purchase dams, reservoirs, and underground or other sources of water.

(b) The authority may construct or purchase all works, plants, and other facilities necessary or useful to:
   (1) provide a source of water supply;
(2) store and process the water; and
(3) transport and distribute the water for municipal, domestic, and industrial purposes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.153. WASTE SERVICES. To preserve and protect the purity of the waters of the authority and this state and to conserve and reclaim those waters for beneficial use by the inhabitants of the authority, the authority may provide all plants, works, facilities, and appliances incident to, helpful to, or necessary to collect, transport, process, dispose of, and control all domestic, industrial, or communal wastes, whether fluid, solid, or composite.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.154. EMINENT DOMAIN. (a) The authority may exercise the power of eminent domain to acquire land and easements to carry out any power conferred by this chapter.

(b) The authority must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The board shall determine the amount of and character of interest in land and easements to be acquired.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.155. COST OF RELOCATING PROPERTY. If the authority, in the exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter, makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of any highway, railroad, electric transmission line, or pipeline or telephone or telegraph property or facility, the authority is solely responsible for the expense of that necessary action.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 8101.156. CONSTRUCTION OR PURCHASE CONTRACTS. (a) Except as provided by Subsection (e), the authority shall award a construction contract or contract for the purchase of materials, equipment, or supplies requiring an expenditure of more than $2,000 to the lowest and best bidder.

(b) Notice to bidders must be published once each week for two weeks before the contract is awarded.

(c) The notice is sufficient if it states:
   (1) the time and place for opening the bids;
   (2) the general nature of the work to be done or the material, equipment, or supplies to be purchased; and
   (3) where and how copies of the plans and specifications may be obtained.

(d) The notice must be printed in a newspaper that is designated by the board and that is published in Henderson County.

(e) This section does not apply to the purchase of a system or part of a system in existence at the time of the purchase.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.157. CONTRACTS WITH MUNICIPALITIES AND OTHERS. (a) The authority may contract with municipalities and others for supplying services to them.

(b) The authority may contract with any municipality for the rental, lease, or operation of the water production, water supply, and water supply facilities of the authority for the consideration agreed to by the authority and the municipality.

(c) The authority may contract with any municipality for the rental, lease, or operation of the water production, water supply, and water supply facilities or sanitary sewer system of the municipality for the consideration agreed to by the authority and the municipality.

(d) A contract under this section:
   (1) may be on the terms and for the period to which the parties agree; and
   (2) may provide that the contract continues in effect until the bonds specified by the contract and refunding bonds issued in place of those bonds are paid.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8101.201. TAX METHOD. The authority shall use the ad valorem plan of taxation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.202. TAX ASSESSOR AND COLLECTOR. Before issuing bonds payable wholly or partly from ad valorem taxes or imposing ad valorem taxes for any other purpose, the board shall:

(1) appoint a tax assessor and collector;
(2) provide for taxes to be assessed; and
(3) provide for the preparation of tax rolls.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.203. DEPOSITORY. (a) The board shall designate one or more banks to serve as depository for the authority's money.

(b) All of the authority's money shall be deposited in the depository bank or banks, except that:

(1) money pledged to pay bonds may be deposited with the trustee bank or banks named in the trust indenture; and
(2) money for payment of the principal of and interest on bonds shall be remitted to the bank of payment.

(c) To the extent that money in the depository banks and the trustee bank are not insured by the Federal Deposit Insurance Corporation, they must be secured in the manner provided by law for the security of county funds.

(d) Before designating a depository bank or banks, the board shall issue a notice that:

(1) states the time and place of the board's meeting for that purpose; and
(2) invites the banks to submit applications to be designated depositories.

(e) The notice must be published one time in a newspaper published in the city of Athens at least 10 days before the date set for receiving applications.

(f) The board shall prescribe the terms of service for
depositories.

(g) At the time mentioned in the notice, the board shall:
   (1) consider the applications and the management and condition of the banks filing applications; and
   (2) designate as depository the bank or banks that:
       (A) offer the most favorable terms for handling the authority's money; and
       (B) the board finds have proper management and are in condition to handle the authority's money.

(h) If the board does not receive any applications by the time stated in the notice, or if the board rejects all applications, the board shall designate a bank or banks on terms it finds advantageous to the authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**SUBCHAPTER F. BONDS**

Sec. 8101.251. AUTHORITY TO ISSUE BONDS. (a) The authority may issue bonds to:
   (1) purchase or otherwise provide works, plants, facilities, or appliances necessary to accomplish the purposes authorized by this chapter; or
   (2) exercise any other power conferred by this chapter.

(b) Bonds issued by the authority must be payable from revenue or ad valorem taxes. If bonds are payable wholly from revenue, the revenue may be pledged by board resolution without an election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.252. REFUNDING BONDS. (a) The authority may issue refunding bonds to refund outstanding bonds issued under this subchapter and interest on those bonds.

(b) Refunding bonds may:
   (1) be issued to refund bonds of more than series;
   (2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or
   (3) be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of
other bonds, their security, and the remedies of the holders apply to refunding bonds, except that an election is not required for refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the authority, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.253. FORM OF BONDS. (a) An authority bond must:
(1) be issued in the name of the authority;
(2) be signed by the president;
(3) be attested to by the secretary; and
(4) have the authority seal impressed on it or a facsimile seal printed on it.

(b) At the option of the board, a bond may be signed in accordance with Chapter 618, Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.254. MATURITY. Bonds issued under this subchapter must mature within 40 years.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.255. TRUST INDENTURE. The trust indenture may contain provisions prescribed by the board that:
(1) provide for the security of the bonds and the operation and preservation of the trust estate;
(2) provide for amendment or modification of the trust indenture;
(3) provide for the issuance of bonds to replace lost or mutilated bonds; and
(4) condition the right to spend authority money or sell authority property on the approval of a licensed engineer selected as provided by the trust indenture.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.256. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. The authority may not issue bonds payable wholly or partly from ad valorem taxes unless the voters of the authority authorize that issuance at an election held for that purpose in the manner prescribed by Section 49.106, Water Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.257. BOND SECURITY; REVENUE; TAXES; ADDITIONAL BONDS. (a) In this section, "net revenue" means the gross revenue of the authority after deducting the amount necessary to pay the cost of maintaining and operating the authority, including its properties.

(b) Bonds issued under this subchapter may be secured by:

(1) a pledge of all or part of the net revenue of the authority, including the net revenue of a past or future contract; or

(2) other revenue and income specified by resolution of the board or the trust indenture.

(c) If bonds are issued payable wholly or partly from taxes, the board shall impose taxes on all taxable property in the authority without limit as to rate or amount while those bonds are outstanding. The board shall impose the taxes in amounts:

(1) sufficient to pay the principal of and interest on the bonds annually as they mature; or

(2) required to supplement the net revenue pledged to the bonds' payment so that the principal of and interest on the bonds are paid when due.

(d) A bond security pledge under this section may reserve to the authority the right, under conditions specified by the pledge, to
issue additional bonds that will be on a parity with or subordinate to the bonds then being issued.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.258. ADDITIONAL SECURITY. (a) Bonds, including refunding bonds, payable partly or wholly from a pledge of revenue authorized by this subchapter may be additionally secured by a mortgage lien on physical properties of the authority and all franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to those properties, vesting in the trustee under the trust indenture the power to:

(1) sell the properties for payment of the debt;
(2) operate the properties; and
(3) take any other action to secure the bonds.

(b) A purchaser under a sale under the deed of trust:

(1) is the absolute owner of the properties and facilities purchased; and
(2) is entitled to maintain and operate those properties and facilities.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.259. CHARGES FOR AUTHORITY SERVICES. The board shall set the rates of compensation for services rendered by the authority so that the authority has enough money to pay the expenses of operating and maintaining the facilities of the authority, to pay bonds as they mature and the interest as it accrues, and to maintain the reserve and other funds as provided in the resolution authorizing the bonds or in the trust indenture.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.260. USE OF BOND PROCEEDS. (a) The authority may set aside and use proceeds from bond sales for:

(1) the payment of interest expected to accrue during construction and the first year after construction; and
(2) a reserve interest and sinking fund.
(b) The authority may provide in the resolution authorizing the bonds or in the trust indenture for setting aside and using the proceeds as described by Subsection (a).

(c) The authority may use proceeds from the sale of bonds to pay an expense incurred in accomplishing the purposes of the authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.261. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on bonds issued under this subchapter that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the authority.

(b) The receiver, without consent of or hindrance by the board, may:

(1) collect and receive all authority income;
(2) employ and discharge authority agents and employees;
(3) take charge of money on hand; and
(4) manage the affairs of the authority.

(c) The receiver may be authorized to sell or contract for the sale of services of the authority's facilities or to renew those contracts with the approval of the appointing court.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

(e) The resolution that authorizes the issuance of the bonds or the trust indenture securing their payment may:

(1) specify the minimum percentage of outstanding bonds that must be held by the bondholders seeking the appointment of a receiver; or
(2) otherwise qualify the right of bondholders to institute litigation that might affect the authority's property, including money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.262. BONDS SECURED BY CONTRACT PROCEEDS; APPROVAL. (a) If bonds issued under this subchapter state that they are secured by a pledge of the proceeds of a contract previously made
between the authority and a municipality or other governmental agency, including a district, a copy of that contract and the proceedings of the entity authorizing the contract must be submitted to the attorney general along with the bonds.

(b) If the attorney general finds that the bonds have been authorized and the contract has been made in accordance with law, the attorney general shall approve the bonds and contract.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.263. BONDS EXEMPT FROM TAXATION. A bond issued under this subchapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8101.264. PROPERTY EXEMPT FROM TAXATION AND ASSESSMENT. Property of the authority is exempt from taxation and assessment.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 8102. ADDICKS UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8102.001. DEFINITION. In this chapter, "district" means "Addicks Utility District."

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8102.002. CREATION; NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County, Texas, created under Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8102.003. LEGISLATIVE FINDINGS. The legislature finds
that:

(1) the creation and establishment of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution;

(2) all land and other property included in the boundaries of the district will be benefited by the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution; and

(3) the district is created to serve a public use and benefit.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8102.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 661, Acts of the 62nd Legislature, Regular Session, 1971 (V.A.C.S. Article 8280-548), as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The legislature finds that the boundaries and field notes of the district contained in Section 4, Chapter 661, Acts of the 62nd Legislature, Regular Session, 1971 (V.A.C.S. Article 8280-548), form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to issue any type of bonds for the purposes for which the district is created or to pay the principal and interest on the bonds;

(3) the right of the district to impose taxes; or

(4) the legality or operation of the district or its governing body.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8102.051. DIRECTORS. Directors are elected or appointed and serve for the terms and in the manner provided by Chapter 49, Water Code.
SUBCHAPTER C. DISTRICT RIGHTS, POWERS, AND FUNCTIONS

Sec. 8102.101. GENERAL RIGHTS, POWERS, PRIVILEGES, AND FUNCTIONS. (a) The district has all of the rights, powers, privileges, and functions provided by the general laws of this state applicable to municipal utility districts, including Chapters 49 and 54, Water Code.

(b) Repealed by Acts 2005, 79th Leg., Ch. 729, Sec. 2.02, eff. April 1, 2007.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 2.02, eff. April 1, 2007.

CHAPTER 8103. EL DORADO UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8103.001. DEFINITION. In this chapter, "district" means the El Dorado Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8103.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8103.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8103.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 648, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-538, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8103.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8103.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general
Chapter 8104. Baytown Area Water Authority

Subchapter A. General Provisions

Sec. 8104.001. Definitions. In this chapter:
(1) "Authority" means the Baytown Area Water Authority.
(2) "Board" means the authority's board of directors.

Sec. 8104.002. Nature of Authority. The Baytown Area Water Authority is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Sec. 8104.003. Finding of Benefit and Public Purpose. (a) The authority is created to serve a public use and benefit.
(b) All land and other property included in the authority and land and property that feasibly may be served by the authority will benefit from the works and projects to be accomplished by the authority under powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the authority is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8104.004. State Policy Regarding Waste Disposal. The powers and functions conferred on the authority are subject to the
state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of the state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the effect on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.005. OTHER DISTRICTS REQUIRED TO CONTRACT WITH AUTHORITY. To encourage the policy provided by Section 8104.004 and to prevent wasteful duplication, each conservation and reclamation district that is created in the authority after June 15, 1973, shall contract with the authority to provide facilities and services that the authority is authorized to provide under this chapter if the authority:

(1) has those facilities and services; or
(2) determines it can provide those facilities and services.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.006. RELATIONSHIP TO GULF COAST AUTHORITY. The rights, powers, privileges, and functions granted to the authority under this chapter are subject to the powers granted to the Gulf Coast Authority in Chapter 409, Acts of the 61st Legislature, Regular Session, 1969 (Article 7621d-2, Vernon's Texas Civil Statutes), to provide disposal systems.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 918 (S.B. 1489), Sec. 5, eff. June 15, 2017.
Sec. 8104.007. RELATIONSHIP TO OTHER DISTRICTS. This chapter does not prevent the organization of or a change in the boundaries of a conservation and reclamation district in the authority as authorized by Section 52, Article III, or Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.008. RIGHTS, POWERS, PRIVILEGES, AND FUNCTIONS OF MUNICIPAL UTILITY DISTRICTS. The authority has all of the rights, powers, privileges, and functions provided by the general laws of this state applicable to municipal utility districts, including Chapter 54, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

SUBCHAPTER B. DISTRICT TERRITORY

Sec. 8104.051. DISTRICT TERRITORY. (a) The authority is composed of the territory described by Section 4, Chapter 600, Acts of the 63rd Legislature, Regular Session, 1973, as that territory may have been modified under:

(1) Section 8104.052 or 8104.053 or their predecessor statutes, former Sections 7 and 8, Chapter 600, Acts of the 63rd Legislature, Regular Session, 1973;
(2) Subchapter H, Chapter 54, Water Code;
(3) Subchapter J, Chapter 49, Water Code; or
(4) other law.

(b) The boundaries and field notes of the authority contained in Section 4, Chapter 600, Acts of the 63rd Legislature, Regular Session, 1973, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the authority's organization, existence, or validity;
(2) the authority's right to issue revenue bonds or revenue refunding bonds for a purpose for which the authority is created or to pay the principal of and interest on the bonds; or
(3) the legality or operation of the authority or the
Sec. 8104.052. ANNEXATION OF TERRITORY; BONDS. (a) Land may be added or annexed to the authority under Subchapter J, Chapter 49, and Subchapter H, Chapter 54, Water Code:

(1) without the consent of any municipality under Section 42.042, Local Government Code; and

(2) regardless of whether the authority has issued revenue bonds.

(b) A change in the authority's boundaries under this section does not affect the validity of the authority's bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.053. EXCLUSION OF TERRITORY; HEARING. (a) The board is not required to call or hold a hearing on the exclusion of land or other property from the authority.

(b) The board on its own motion may call and hold one or more hearings on the exclusion of land or other property from the authority in the manner provided by general law.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8104.101. COMPOSITION. The authority is governed by a board of five directors appointed by the Baytown City Council.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.102. ELIGIBILITY TO SERVE. (a) One director must reside outside the city limits of the city of Baytown but in the
authority's boundaries.

(b) A person serving as a director may not serve during the person's term as a member of the Baytown City Council.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.103. TERMS. Directors serve staggered terms of two years with the terms of the directors serving Positions 1 and 2 expiring September 1 of each even-numbered year and the terms of the directors serving Positions 3, 4, and 5 expiring September 1 of each odd-numbered year.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.104. VACANCIES. The Baytown City Council shall fill any vacancy occurring on the board by appointing a director for the unexpired term.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.105. OFFICERS. (a) The board shall elect a president, vice president, secretary, and any other officers the board considers necessary at the board's first meeting:

(1) in September of each year; or
(2) after the annual vacancies are filled as provided by this subchapter and the newly appointed directors are qualified.

(b) When the president is absent or fails or declines to act, the vice president shall perform all duties and exercise all power this chapter or general law gives the president.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.106. DIRECTOR'S BOND. (a) A director shall execute
a bond for $5,000 conditioned on the faithful performance of the
director's duties.

(b) The bond must be recorded in a record kept for that purpose
in the authority's office.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff.
April 1, 2007.

Sec. 8104.107. VOTING REQUIREMENT. The concurrence of a
majority of the directors who are present and voting at a board
meeting is sufficient for matters relating to the authority's
business, including:

(1) letting construction work and related matters; and
(2) purchasing existing facilities.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff.
April 1, 2007.

Sec. 8104.108. SIGNATURE FOR BOARD ACTIONS. An order adopted
or other action taken at a board meeting at which the president is
absent may be signed by:

(1) the vice president; or
(2) the president with board authorization.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff.
April 1, 2007.

SUBCHAPTER D. OTHER ADMINISTRATIVE PROVISIONS

Sec. 8104.151. GENERAL MANAGER. (a) The city manager of the
City of Baytown is the authority's general manager.

(b) If the position of city manager is abolished, the chief
executive officer of the City of Baytown or the officer's designee is
the authority's general manager.

(c) The authority's general manager serves without compensation
paid by the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff.
April 1, 2007.
Sec. 8104.152. POWERS AND DUTIES OF GENERAL MANAGER. (a) The
general manager is the authority's chief executive officer.
(b) The general manager, under policies established by the board, shall:
   (1) administer the board's directives;
   (2) keep the authority's records, including minutes of board meetings;
   (3) coordinate with state, federal, and local agencies;
   (4) develop plans and programs for the board's approval;
   (5) formulate a budget for the authority's fiscal year, as provided by this chapter, subject to the approval of the board and the Baytown City Council;
   (6) hire, supervise, train, and discharge the authority's employees;
   (7) contract for or retain technical, scientific, legal, fiscal, and other professional services; and
   (8) perform other duties assigned by the board.
(c) At the board's direction, the general manager may execute a contract, including a construction contract, the board enters into for the authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.153. BOND OF GENERAL MANAGER AND CERTAIN EMPLOYEES. (a) The general manager and each employee of the authority charged with the collection, custody, or payment of the authority's money shall execute a fidelity bond.
(b) The board must approve the form, amount, and surety of each bond.
(c) The authority shall pay the premium on each bond.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.154. CONTRACT WITH CITY OF BAYTOWN FOR ADMINISTRATIVE FUNCTIONS. (a) In this section, "administrative functions" has the
meaning assigned by Section 791.003, Government Code.

(b) The authority shall offer to enter into an interlocal contract under Chapter 791, Government Code, with the City of Baytown for the performance of administrative functions.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

**SUBCHAPTER E. POWERS AND DUTIES**

Sec. 8104.201. WATER SUPPLY AND DISTRIBUTION. The authority may:

(1) acquire surface water or groundwater supplies from sources in or outside of the authority; and

(2) conserve, store, transport, treat, purify, distribute, sell, and deliver surface water or groundwater to a public or private corporation, a political subdivision of this state, or any other person in or outside of the authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.202. FACILITIES FOR WATER TRANSPORTATION AND DISTRIBUTION. (a) The authority may construct, maintain, and operate a canal, lateral, ditch, levee, pipeline, or other facility to transport and distribute water, together with a service road or other facility incidental to or designed for use in connection with transportation and distribution of water, under, along, and across a:

(1) railroad;

(2) railroad right-of-way;

(3) canal;

(4) stream;

(5) pipeline;

(6) utility line;

(7) street or alley in a municipality, subject to reasonable regulation by the municipality; or

(8) public road or highway.

(b) In crossing a facility described by Subsection (a), the authority:

(1) may not impair the use of the facility; and
Sec. 8104.203. WASTE SERVICES. The authority may collect and transport the domestic, industrial, or communal waste of an entity described by Section 8104.201(2), for the purposes provided by Chapter 30, Water Code, or for other purposes.

Sec. 8104.204. CONTRACTS. (a) The authority may:

(1) contract with a public or private corporation, a political subdivision of this state, including the City of Baytown, or any other person, on terms the board considers desirable, fair, and advantageous, for the performance of the authority's rights and powers under this chapter; and

(2) contract with another person to transport that person's water.

(b) Before the authority enters into a contract under this section, other than a contract between the authority and the City of Baytown, the Baytown City Council must approve the contract.

(c) The period of a contract under Subsection (a)(1) may not exceed 40 years. The contract may provide that it continues in effect until bonds issued by the authority to finance the cost of facilities authorized by this chapter and refunding bonds issued in place of those bonds are paid.

(d) Section 552.014, Local Government Code, applies to any contract between the authority and a municipality, including the City of Baytown.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.77(23), eff. April 1, 2009.
Sec. 8104.205. CONSENT REQUIRED FOR WASTE TREATMENT AND DISPOSAL FACILITIES. Before acquiring or constructing a waste treatment or disposal facility, the authority must obtain the consent of the:

(1) Gulf Coast Authority; or
(2) Texas Commission on Environmental Quality, if the consent of the Gulf Coast Authority is unreasonably withheld or delayed.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 918 (S.B. 1489), Sec. 6, eff. June 15, 2017.

Sec. 8104.206. ACQUISITION OF WATER RIGHTS NOT PREVENTED. This chapter does not prevent the authority from acquiring water rights under any law or permit if the acquisition is approved by order or later permit from the Texas Commission on Environmental Quality.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.207. ELECTION NOT REQUIRED TO APPROVE CONTRACTS. The authority is not required to hold an election to approve a contract with a political subdivision for services described by this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.208. COST OF RELOCATING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.
(b) If the authority, in the exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter, makes necessary the relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, a railroad, an electric transmission line, a pipeline, or a telephone or telegraph property or facility, the necessary relocation, raising, rerouting, changing the grade of, or alteration of construction shall be accomplished at the sole expense of the authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

Sec. 8104.251. FISCAL YEAR. The authority's fiscal year is from October 1 to September 30, unless the board changes the fiscal year.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.252. AUTHORITY DEPOSITORY. (a) With the prior approval of the Baytown City Council, the board shall select one or more banks in this state to act as depository for the authority's money.

(b) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money shall be secured in the manner provided by law for the security of the City of Baytown's money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.253. INVESTMENT AUTHORITY. The authority may invest:

(1) money held in any sinking fund, reserve fund, or other fund; or

(2) money not required for immediate use or disbursement in the securities as provided by this chapter.
Sec. 8104.254. RENTS, RATES, FEES, AND CHARGES. (a) The authority may:

(1) set, charge, alter, and collect a reasonable rent, rate, fee, or other charge for the use of a facility or for a service rendered by the authority; and

(2) provide for the imposition of a reasonable penalty for a delinquent rent, rate, fee, or charge.

(b) The authority shall set, charge, alter, and collect rent, rates, fees, and charges in amounts that are sufficient to produce revenue adequate to fulfill an agreement with the holders of bonds or notes issued under this chapter.

Sec. 8104.255. GRANTS AND ASSISTANCE. The authority may:

(1) apply for, accept, and administer a grant, loan, or other assistance from the United States, this state, or another state to carry out the purpose of this chapter; and

(2) enter into an agreement as provided by the authority in connection with the grant, loan, or other assistance.

Sec. 8104.256. PROPERTY TAX PROHIBITION. The authority may not:

(1) impose a tax on real, personal, or mixed property; or

(2) issue a bond or create debt payable directly from ad valorem taxes imposed by the authority.
SUBCHAPTER G.  BONDS AND NOTES

Sec. 8104.301.  BORROWING THROUGH BONDS OR NOTES.  (a) After the action is approved by the Baytown City Council, the authority may borrow money to carry out any power granted to the authority by:

(1) issuing and selling revenue bonds or negotiable or nonnegotiable notes payable from and secured by the sources described in this chapter; and

(2) delivering the bonds or notes to the United States or to this state when it is determined by the board to be in the best interest of the authority.

(b) The bonds or notes must be authorized by a board resolution in which a majority of the board's membership concurs.

(c) The board must provide the terms of the bonds or notes and the rights of the holders of the bonds or notes.

(d) The Baytown City Council must approve the bonds or notes before they are issued.

(e) The board is not required to hold an election before issuing and selling revenue bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.302.  REFUNDING BONDS.  (a) After the action is approved by the Baytown City Council, the board by resolution may authorize the issuance of refunding bonds or notes to refund outstanding bonds or notes issued under this chapter and their accrued interest.

(b) The authority may:

(1) sell the refunding bonds or notes and use the proceeds to retire the outstanding bonds or notes; or

(2) exchange the refunding bonds or notes for the outstanding bonds or notes.

(c) To the extent the provisions of this chapter relating to original bonds or notes may be made applicable, those provisions apply to:

(1) the issuance of the refunding bonds or notes;

(2) the maturity of the refunding bonds or notes;

(3) the rights of the bondholders; and

(4) the authority's duties regarding refunding bonds or notes.
notes.

(d) The authority also may refund bonds or notes under any general law of this state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.303. FORM OF BONDS; LIABILITY. (a) Bonds or notes, including a coupon attached to a bond or note, issued under this chapter shall:

(1) be signed by the board's president or vice president; and

(2) be attested by the board's secretary.

(b) A director, a board officer, or a person who executes a bond, note, or coupon for the authority is not liable personally on the bond, note, or coupon by participating in its issuance.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.304. MATURITY. Bonds or notes issued under this chapter must mature within 40 years.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.305. RESOLUTION AND TRUST INDENTURE PROVISIONS. (a) A board resolution authorizing bonds or notes or a trust indenture securing bonds or notes may contain provisions that:

(1) to secure the payment of the bonds or notes, pledge all or a designated part of the authority's revenue and receipts from the planning, financing, ownership, operation, or leasing of, or otherwise in connection with, a specified facility or asset, or that are otherwise connected to the facility or asset;

(2) to secure the payment of the bonds or notes, pledge all or part of the authority's assets, including an obligation acquired by the authority;

(3) relate to the use and disposition of rents, rates,
fees, and other charges made or received by the authority;

(4) pledge to set, charge, alter, and collect rents, rates, fees, or other charges for a designated facility or asset that will produce revenue adequate to:

(A) pay all expenses necessary to operate and maintain the designated facility or asset;

(B) pay the interest on and principal of all bonds or notes issued and payable from the revenues and receipts as the interest and principal become due and payable;

(C) pay all sinking fund, reserve fund, or other fund payments agreed to be made related to any bonds or notes payable out of the revenues and receipts as the payments become due and payable; and

(D) fulfill the terms of an agreement made with:

(i) the bond or note holders; or

(ii) a person on behalf of the bond or note holders;

(5) set aside the reserves or sinking funds and that provide for the regulation and disposition of the reserves or sinking funds;

(6) limit the purpose to which the proceeds from the sale of the bonds or notes may be applied and that pledge the proceeds to secure the payment of the bonds or notes;

(7) limit the issuance of additional bonds and the refunding of outstanding or other bonds or notes;

(8) relate to the acquisition, construction, improvement, operation, extension, enlargement, maintenance, or repair of a facility or asset and the duties of the authority relating to the facility or asset;

(9) relate to the procedure by which the terms of an agreement with the bond or note holders may be amended or abrogated, the amount of bonds or notes the holders of which are required to give consent to, and the manner in which the consent may be given;

(10) limit the amount of money to be spent by the authority for administrative or other expenses;

(11) vest in a trustee or other fiduciary the property, rights, powers, and duties in trust as the authority determines, including the rights, powers, and duties of the trustee appointed by the bond or note holders under this chapter;

(12) abrogate the right of the bond or note holders to
appoint a trustee under this chapter or limit the rights, powers, and duties of the trustee;

(13) provide for the management, operation, and control of a specified authority facility or asset by a board of trustees to be named in the resolution or trust indenture and that specify:
   (A) the terms of office of the board of trustees;
   (B) the powers and duties of the board of trustees;
   (C) the manner of exercising those powers and duties;
   (D) the appointment of successors; and
   (E) all matters relating to the organization and duties of the board of trustees;

(14) govern the issuance of bonds or notes to replace lost, stolen, or mutilated bonds or notes; and

(15) relate to any other matter that affects the security or protection of the:
   (A) bonds or notes; or
   (B) bond or note holders.

(b) A provision authorized by this section that is contained in the resolution or trust indenture is a part of the agreement with the holders of the bonds or notes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.306. SECURITY FOR BONDS OR NOTES. (a) Bonds or notes of the authority and the interest on the bonds or notes may be secured by and payable only from the sources authorized by this chapter.

(b) The bonds or notes may be secured by and payable from a pledge of all or part of:
   (1) the authority's revenues, receipts, or assets; or
   (2) the revenues of one or more past or future leases or other contracts.

(c) A pledge made under this section must be specified:
   (1) by the resolution authorizing the bonds or notes; or
   (2) by the trust indenture or other instrument securing the bonds or notes.

(d) The lien of the pledge or security instrument is binding against all parties having claims of any kind against the authority,
including tort or contract claims, regardless of whether the parties have notice of the lien.

(e) A pledge made under this section may reserve to the authority the right, under conditions the pledge specifies, to issue additional bonds or notes that will be on a parity with or subordinate to the bonds or notes then being issued.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.307. TRUST INDENTURE. (a) Bonds or notes, including refunding bonds, authorized by this chapter may be additionally secured by a trust indenture under which the trustee may be a bank that has trust powers. The bank may be located in or outside of this state.

(b) Regardless of any mortgage or deed of trust lien or security interest in the facilities or assets, the trust indenture may:

(1) contain any provision prescribed by the authority and the Baytown City Council for the security of the bonds or notes and the preservation of the trust estate;

(2) provide for amendment or modification of the trust indenture;

(3) condition the right to spend authority money or to sell the authority's facilities or assets on approval of a licensed engineer selected as provided by the trust indenture; and

(4) include any other provision to protect and enforce the rights and remedies of the bond or note holders as may be reasonable and proper.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.308. ADDITIONAL SECURITY. At the discretion of the authority and the Baytown City Council, bonds or notes issued under this chapter may be secured additionally by a mortgage or a deed of trust lien or security interest on facilities or assets of the authority and all real property, franchises, easements, leases, contracts, and rights appurtenant to the properties that vest in the
trustee the power to:

1. sell the facilities or assets for payment of the debt;
2. operate the facilities or assets; and
3. take any other action to secure the bonds or notes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.309. REVIEW AND APPROVAL OF CONTRACTS RELATING TO BONDS OR NOTES. (a) If bonds or notes issued under this chapter state that the bonds or notes are secured by a pledge of the revenues and receipts of a lease or other contract made between the authority and a person, a copy of the lease or contract may be submitted to the attorney general with the bonds or notes.

(b) If the attorney general finds that the bonds or notes have been authorized and that the lease or contract has been made in accordance with law, the attorney general shall approve the bonds or notes and the lease or contract.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.310. BONDS AND NOTES EXEMPT FROM TAXATION. A bond or note issued under this chapter, the interest on the bond or note, and the profit from the sale of the bond or note are exempt from taxation by this state or a political subdivision of this state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.311. BOND OR NOTE SALE PROCEEDS. Proceeds from the sale of bonds or notes issued by the authority shall be:

1. deposited in a depository bank; and
2. paid out under the terms to which the authority and the purchasers agree.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.
Sec. 8104.312. INVESTMENT OF FUNDS AND USE OF PROCEEDS. (a) The authority may direct the investment of money in the funds created by the resolution authorizing bonds or notes or by a trust indenture or other instrument securing bonds or notes issued under this chapter.

(b) The authority may set aside proceeds from the sale of bonds or notes for payment into:

(1) the interest and sinking fund until completion of construction and until adequate revenues and receipts are available from operations to pay principal and interest; or

(2) reserve funds.

(c) The authority may provide, in the resolution authorizing the bonds or notes or in the trust indenture or other instrument, for setting aside the proceeds as described by Subsection (b).

(d) Proceeds from the sale of bonds or notes may be used to pay all expenses of issuing and selling the bonds or notes.

(e) Proceeds from the sale of bonds or notes and money in funds created in connection with the bonds or notes may be invested:

(1) in direct or indirect obligations of or obligations unconditionally guaranteed by the United States maturing in the manner that may be specified by the resolution authorizing the bonds or notes or by the trust indenture or other instrument securing the bonds or notes; or

(2) in bank or trust company certificates of deposit that are secured by the obligations described in Subdivision (1).

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.313. APPOINTMENT OF RECEIVER. (a) The resolution authorizing the issuance of the bonds or notes, or the trust indenture or other instrument securing the bonds or notes, may provide that, on petition of the holders of outstanding bonds or notes, a court may appoint a receiver for the authority:

(1) on default in the payment of the principal of or interest on bonds or notes; or

(2) under the conditions stated in the resolution, trust
indenture, or other instrument, on a threatened default in the payment of the principal of or interest on bonds or notes.

(b) The receiver may collect and receive pledged revenues and receipts.

(c) The resolution, trust indenture, or other instrument may limit or qualify the rights of less than all of the holders of outstanding bonds or notes payable from the same source to institute or prosecute litigation affecting the authority's properties or revenues.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.314. ENFORCEMENT. The following may be enforced in a court by mandamus or other appropriate proceeding:

(1) payment of bonds or notes according to the term and tenor;

(2) performance of agreements with the holders of bonds or notes or any person on their behalf; and

(3) performance of official duties prescribed by this chapter in connection with bonds or notes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.315. STATE PLEDGE REGARDING RIGHTS AND REMEDIES OF BOND OR NOTE HOLDERS. (a) The state pledges to and agrees with the holders of bonds or notes issued under this chapter that the state will not limit or alter the rights vested in the authority to fulfill the terms of agreements made with the holders that are consistent with this chapter or impair the rights and remedies of the holders until the following are fully discharged:

(1) the bonds or notes;

(2) interest on the bonds or notes;

(3) interest on any unpaid installments of interest; and

(4) all costs and expenses for which the authority is liable related to an action or proceeding by or on behalf of the holders.

(b) The authority may include the state's pledge and agreement
under Subsection (a) in an agreement with the holders of the bonds or notes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8104.316. LIMITATION ON RIGHT OF BOND OR NOTE HOLDERS. The purchasers and holders of any bonds or notes may not demand payment from revenues, receipts, or assets of the authority except those pledged to the payment of the bonds or notes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

CHAPTER 8105. BEACH ROAD MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8105.001. DEFINITION. In this chapter, "district" means the Beach Road Municipal Utility District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8105.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Matagorda County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8105.003. LEGISLATIVE FINDINGS. (a) The district:

(1) is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and

(2) is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects to be accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.
Sec. 8105.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 959, Acts of the 73rd Legislature, Regular Session, 1993, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code, before September 1, 1995;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes contained in Section 3, Chapter 959, Acts of the 73rd Legislature, Regular Session, 1993, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8105.051. DIRECTORS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

(c) A director must qualify to serve as director in the manner provided by Section 49.055, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8105.052. ELECTION OF DIRECTORS. On the first Saturday in May of every even-numbered year, the district shall hold an election in the district to elect the appropriate number of directors.
Sec. 8105.101. GENERAL RIGHTS, POWERS, PRIVILEGES, FUNCTIONS, AND DUTIES. (a) The district has the rights, powers, privileges, functions, and duties provided by general law, including Chapters 49, 50, and 54, Water Code, applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The rights, powers, privileges, functions, and duties of the district are subject to the continuing right of supervision by this state exercised by and through the Texas Commission on Environmental Quality.

Sec. 8106.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Bammel Utility District.

Sec. 8106.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in Harris County, created under Section 59, Article XVI, Texas Constitution.

Sec. 8106.003. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a) The legislature finds that:

(1) the district is created to serve a public use and
benefit; and

(2) all land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(b) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(c) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their properties and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8106.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 357, Acts of the 61st Legislature, Regular Session, 1969 (Article 8280-438, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code, before September 11, 1978;

(2) Subchapter H, Chapter 54, Water Code;

(3) Subchapter J, Chapter 49, Water Code;

(4) this chapter; or

(5) other law.

(b) The boundaries and field notes of the district contained in Section 2, Chapter 357, Acts of the 61st Legislature, Regular Session, 1969 (Article 8280-438, Vernon's Texas Civil Statutes), form a closure. If a mistake is made in the field notes or in copying the field notes in the legislative process, the mistake does not affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose a tax; or

(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff.
April 1, 2007.

Sec. 8106.005. CONFIRMATION ELECTION NOT REQUIRED. It is not necessary for the board to call or hold a confirmation election to confirm the district's creation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8106.051. COMPOSITION OF BOARD. The board consists of five directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8106.052. DIRECTOR'S BOND. (a) Each director shall execute a bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The bond must be recorded in a record book kept for that purpose in the district office.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8106.053. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The county judge of the county in which the district is located shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8106.054. DISTRICT OFFICE. (a) Except as provided by
this section, the board shall designate, establish, and maintain a
district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside
the district. If the board establishes a second district office, the
board shall give notice of the location of that office by:

(1) filing a copy of the board resolution that establishes
the location of the office:

(A) with the Texas Commission on Environmental Quality;
and

(B) in the municipal utility district records of each
county in which the district is located; and

(2) publishing notice of the location of the office in a
newspaper of general circulation in each county in which the district
is located.

(c) A district office that is a private residence, office, or
dwelling is a public place for matters relating to district business.

(d) The board shall provide notice of any change in the
location of the district office outside the district in the manner
required by Subsection (b).

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff.
April 1, 2007.

Sec. 8106.055. ABSENCE OF PRESIDENT FROM BOARD MEETING. If the
board president is absent from a board meeting:

(1) the board vice president may:

(A) sign an order adopted at the meeting; or

(B) implement any other action taken at the meeting; or

(2) the board may authorize the president to sign the order
or implement the action.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff.
April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8106.101. GENERAL POWERS AND DUTIES. The district has all
of the rights, powers, privileges, authority, and functions conferred
by the general laws of the state relating to municipal utility
districts created under Section 59, Article XVI, Texas Constitution,
including those conferred by Chapters 49 and 54, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8106.102. ADDITIONAL POWERS AND DUTIES. (a) The district may:

(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, existing improvements, or improvements to be made, constructed, or acquired that are:

(A) inside or outside the boundaries of the district; and

(B) necessary to carry out the powers granted by this chapter or general law; or

(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:

(A) the purchase or sale of water;

(B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;

(C) the continuing and orderly development of district land and property through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the lands and property may ultimately receive the services of the facilities, works, or improvements; and

(D) the performance of any of the powers granted by this chapter or general law.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8106.103. EMINENT DOMAIN. The district may exercise the power of eminent domain only:

(1) in a county in which the district is located; and

(2) when necessary to carry out the purposes for which the district was created.
Sec. 8106.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, the term "sole expense" means the actual cost of the action required under Subsection (b) to provide a comparable replacement without enhancing the facility, after deducting the net salvage value derived from the old facility.

(b) If the district's exercise of eminent domain or of another power conferred by this chapter requires relocating, raising, rerouting, or changing the grade of, or altering the construction of any highway, railroad, electric transmission line, telegraph or telephone property and facility, or pipeline, the action shall be accomplished at the sole expense of the district.

Sec. 8106.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may enter into a contract with a political subdivision for water, sewer, or drainage services or any combination of those services without the necessity of an election by any contracting party.

(b) The district may pay for an obligation incurred by entering into a contract under this section by issuing bonds that, if otherwise necessary, have been approved by the voters in the manner provided by this chapter.

(c) The district may deliver the district's bonds to any of the following parties that enters into a contract with the district under this section:

(1) the United States;
(2) an agency or instrumentality of the United States;
(3) this state; or
(4) an agency or instrumentality of this state.
Sec. 8106.106. NOTICE OF ELECTION. The board president or secretary may give notice of an election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8106.107. DISTRICT RULES. The district shall adopt and enforce reasonable and effective rules to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of the district's sewerage system to preserve the quality of water within or controlled by the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8106.151. TAX METHOD. (a) The board shall use the ad valorem plan of taxation.

(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8106.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8106.153. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered upon request to a holder of at least 25 percent of the outstanding bonds of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff.
Sec. 8106.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:
(1) district property; or
(2) a purchase made by the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

Sec. 8106.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY. A director may be a shareholder in a depository of district funds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.06, eff. April 1, 2007.

For contingent expiration of this chapter, see Sec. 8107.003.

CHAPTER 8107. SUNRISE MUNICIPAL UTILITY DISTRICT OF HUNT COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8107.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Sunrise Municipal Utility District of Hunt County.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.002. NATURE OF DISTRICT. The district is a municipal utility district in Hunt County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.
Sec. 8107.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8107.023 before September 1, 2007:

(1) the district is dissolved September 1, 2007, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Hunt County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8107.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.
Sec. 8107.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8107.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.102. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

(b) A project authorized by this section must meet only the construction standards adopted by the North Central Texas Council of Governments, or its successor agency.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.103. ROAD CONTRACTS. The district may contract for a road project in the same manner as provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.104. WATER CONTROL AND STORAGE PROJECTS. (a) The district may construct, acquire, improve, enlarge, extend, repair, or
maintain dams, levees, walls, dikes, embankments, canals, reservoirs, lakes, or other improvements as necessary to control, store, or preserve water in the district for any useful purpose.

(b) The district may overflow and inundate district lands and other district property in the district.

(c) A project authorized by this section is subject to all applicable permitting and regulatory requirements.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.105. CERTIFICATE OF CONVENIENCE AND NECESSITY. (a) The district may pay out of bond proceeds or other available district money all expenses, including legal, engineering, and other fees, related to obtaining a new certificate of convenience and necessity under Chapter 13, Water Code, authorizing the district to provide retail water or sewer service inside or outside the district.

(b) The district may pay out of bond proceeds or other available district money all expenses, including the purchase price, related to acquiring certificate of convenience and necessity rights from another retail public utility to allow the district to provide retail water or sewer service in the district.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.106. CONTRACT WITH POLITICAL SUBDIVISION FOR WATER OR SEWER SERVICES. (a) The district may enter into a contract to allow a political subdivision to provide retail water or sewer service in the district. The contract may contain terms the board considers desirable, fair, and advantageous to the district.

(b) The contract may provide that the district will construct or acquire and convey to the political subdivision a water supply or treatment system, a water distribution system, or a sanitary sewage collection or treatment system, as necessary to provide water or sewer service in the district.

(c) The district may use bond proceeds or other available district money to pay for its obligations and for services and facilities provided under the contract.
(d) If the contract requires the district to make payments from taxes other than operation and maintenance taxes, the contract is subject to Section 49.108, Water Code.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8107.151. OPERATION AND MAINTENANCE TAX. (a) The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

(b) Section 49.107(f), Water Code, does not apply to reimbursements for projects constructed or acquired under Section 8107.102.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8107.201.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

1. an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
2. a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
3. a telecommunications provider as defined by Section 51.002, Utilities Code;
4. a cable operator, as defined by 47 U.S.C. Section 522; or
5. a person who provides to the public advanced
telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER E. BONDS**

Sec. 8107.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance:

(1) the construction, maintenance, or operation of projects under Sections 8107.102 and 8107.104; or
(2) the district's contractual obligations under Section 8107.106.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8107.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8107.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8107.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS**

Sec. 8107.251. DIVISION OF DISTRICT; REQUIREMENTS.

(a) At any time before the district issues indebtedness secured by taxes or net revenues, the district, including any annexed territory, may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) The board may consider a proposal to divide the district on:

(1) a petition of a landowner in the district; or
(2) a motion by the board.
If the board decides to divide the district, the board shall:

1. set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations; and
2. prepare a metes and bounds description for each proposed district.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.252. ELECTION FOR DIVISION OF DISTRICT. (a) After the board has complied with Section 8107.251(d), the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:
1. the date and location of the election; and
2. the proposition to be voted on.

(c) If a majority of the votes cast are in favor of the division:
1. the district shall be divided; and
2. not later than the 30th day after the date of the election, the district shall provide written notice of the division to:
   A. the Texas Commission on Environmental Quality;
   B. the attorney general;
   C. the commissioners court of each county in which a new district is located; and
   D. any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes cast are not in favor of the division, the district may not be divided.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of
the division of the district, the board shall:

(1) appoint itself as the board of one of the new districts; and

(2) appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, an election shall be held to elect five directors in each district for which directors were appointed under Subsection (a)(2). The directors shall draw lots to determine which two shall serve two-year terms and which three shall serve four-year terms.

(d) Except as provided by Subsection (c), directors serve staggered four-year terms. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

Sec. 8107.254. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 8107.251(d).

(c) Any other district obligation shall be divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.
Sec. 8107.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or
(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2005, 79th Leg., Ch. 519 (H.B. 812), Sec. 1, eff. June 17, 2005.

For contingent expiration of this chapter, see Sec. 8108.003.

CHAPTER 8108. UNION VALLEY RANCH MUNICIPAL UTILITY DISTRICT OF HUNT COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8108.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Union Valley Ranch Municipal Utility District of Hunt County.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

Sec. 8108.002. NATURE OF DISTRICT. The district is a municipal utility district in Hunt County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

Sec. 8108.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8108.023 before September 1, 2007:

(1) the district is dissolved September 1, 2007, except that:

   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts
shall be transferred to Hunt County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

Sec. 8108.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes; or

(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8108.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

Sec. 8108.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8108.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

Sec. 8108.102. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

(b) A project authorized by this section must meet only the construction standards adopted by the North Central Texas Council of Governments, or its successor agency.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

Sec. 8108.103. ROAD CONTRACTS. The district may contract for a road project in the same manner as provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

Sec. 8108.104. CERTIFICATE OF CONVENIENCE AND NECESSITY. (a) The district may pay out of bond proceeds or other available district money all expenses, including legal, engineering, and other fees, related to obtaining a new certificate of convenience and necessity under Chapter 13, Water Code, authorizing the district to provide retail water or sewer service inside or outside the district.

(b) The district may pay out of bond proceeds or other available district money all expenses, including the purchase price,
related to acquiring certificate of convenience and necessity rights from another retail public utility to allow the district to provide retail water or sewer service in the district.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

Sec. 8108.105. CONTRACT WITH POLITICAL SUBDIVISION FOR WATER OR SEWER SERVICES. (a) The district may enter into a contract to allow a political subdivision to provide retail water or sewer service in the district. The contract may contain terms the board considers desirable, fair, and advantageous to the district.

(b) The contract may provide that the district will construct or acquire and convey to the political subdivision a water supply or treatment system, a water distribution system, or a sanitary sewage collection or treatment system as necessary to provide water or sewer service in the district.

(c) The district may use bond proceeds or other available district money to pay for its obligations and for services and facilities provided under the contract.

(d) If the contract requires the district to make payments from taxes other than operation and maintenance taxes, the contract is subject to Section 49.108, Water Code.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8108.151. OPERATION AND MAINTENANCE TAX. (a) The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

(b) Section 49.107(f), Water Code, does not apply to reimbursements for projects constructed or acquired under Section 8108.102.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.
Sec. 8108.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8108.201.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

Sec. 8108.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

1. an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
2. a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
3. a telecommunications provider as defined by Section 51.002, Utilities Code;
4. a cable operator as defined by 47 U.S.C. Section 522; or
5. a person who provides to the public advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. BONDS

Sec. 8108.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance:
1. the construction, maintenance, or operation of projects under Section 8108.102; or
2. the district's contractual obligations under Section 8108.105.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8108.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance
projects authorized by Section 8108.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8108.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8108.251. DIVISION OF DISTRICT; REQUIREMENTS. (a) At any time before the district issues indebtedness secured by taxes or net revenues, the district, including any annexed territory, may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) The board may consider a proposal to divide the district on:

(1) a petition of a landowner in the district; or
(2) a motion by the board.

(d) If the board decides to divide the district, the board shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations; and
(2) prepare a metes and bounds description for each proposed district.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

Sec. 8108.252. ELECTION FOR DIVISION OF DISTRICT. (a) After the board has complied with Section 8108.251(d), the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:

(1) the date and location of the election; and
(2) the proposition to be voted on.
(c) If a majority of the votes cast are in favor of the division:

(1) the district shall be divided; and
(2) not later than the 30th day after the date of the election, the district shall provide written notice of the division to:

(A) the Texas Commission on Environmental Quality;
(B) the attorney general;
(C) the commissioners court of each county in which a new district is located; and
(D) any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes cast are not in favor of the division, the district may not be divided.

Added by Acts 2005, 79th Leg., Ch. 520 (H.B. 813), Sec. 1, eff. June 17, 2005.

Sec. 8108.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:

(1) appoint itself as the board of one of the new districts; and
(2) appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, an election shall be held to elect five directors in each district for which directors were appointed under Subsection (a)(2). The directors shall draw lots to determine which two shall serve two-year terms and which three shall serve four-year terms.

(d) Except as provided by Subsection (c), directors serve staggered four-year terms. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.
Sec. 8108.254. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 8108.251(d).

(c) Any other district obligation shall be divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Sec. 8108.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or

(2) any other matter the boards of the new districts consider appropriate.

For contingent expiration of this chapter, see Sec. 8109.003.

CHAPTER 8109. CLL MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8109.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the CLL Municipal Utility District No. 1.
Sec. 8109.002. NATURE OF DISTRICT. The district is a municipal utility district in Bell and Williamson Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8109.0025. PURPOSE; DECLARATION OF INTENT. (a) The district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

Sec. 8109.0026. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing trails, landscaping, and other services that are necessary for the restoration, preservation, and enhancement of the scenic beauty and environment of the area.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 1, eff. June 17, 2011.

Sec. 8109.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8109.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Bell and Williamson Counties in proportion to the contribution of money made; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 30, 49, and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8109.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms that expire June 1 of even-numbered years.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. DIVISION OF DISTRICT TO MULTIPLE DISTRICTS

Sec. 8109.101. DIVISION OF DISTRICT; PREREQUISITES. (a) At any time before the district issues indebtedness secured by taxes or net revenues, the district, including any annexed territory, may be
divided into an original district and one or more new districts. The board shall determine which portion of the divided area constitutes the original district.

(b) A district created by division of the original district under Subsection (a) may further subdivide as determined by the board of that district.

(c) After a division under Subsection (a) or (b), the original district and any new district created must be at least 85 acres.

(d) The board by resolution may declare an intent to divide the district. The resolution must:

(1) set the terms of the division, including a plan for the payment or performance of any outstanding district obligations; and
(2) contain a metes and bounds description for each district, including the modified original district.

(e) Section 42.042, Local Government Code, and Section 54.016, Water Code, do not apply to the creation of a new district by division under this subchapter.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.102. DISTRICT DIVISION BY ELECTION. (a) Except as provided by Section 8109.103, the board shall hold an election in the district to determine whether the district should be divided as proposed under Section 8109.101(d).

(b) The board shall give notice of the election not later than the 20th day before the date of the election. The notice must state:

(1) the date and location of the election; and
(2) the proposition to be voted on.

(c) If a majority of the votes are cast in favor of the division, the district is divided.

(d) If less than a majority of the votes are cast in favor of the division, the district may not be divided.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.103. DISTRICT DIVISION BY CONSENT. (a) The board may approve and order the division of the district without an
election if the board has received written consent to the proposed division from all title holders of the land in the district as indicated by the tax rolls of the central appraisal district of each county in which the district is located.

(b) If the board orders the division without an election, the district is divided as of the date of the order.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.104. NOTICE OF DIVISION. Not later than the 30th day after the date of a division under this subchapter, the district shall provide written notice of the plan for division to:

(1) the Texas Commission on Environmental Quality;
(2) the attorney general;
(3) the commissioners court of each county in which a new district is located; and
(4) any municipality having extraterritorial jurisdiction over territory in each new district.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.105. DISTRICT NAMES FOLLOWING DIVISION. The area designated by the board as the original district retains the name of the original district. The resulting new districts are assigned consecutive letters to be appended to the name of the original district.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.106. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) After a division under this subchapter, the board shall continue to act as the board of the original district.

(b) Not later than the 90th day after the date of the division, the board shall appoint five directors for each of the new districts. A person appointed under this subsection is not required to own land
in or reside in the district for which the person is appointed.

(c) Directors of the original district serve the staggered terms to which they were elected before the division. Directors appointed under Subsection (b) serve until June 1 following the election for directors under Subsection (d).

(d) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, an election shall be held to elect five directors in each district for which directors were appointed under Subsection (b). Of the five directors elected in each district, the three directors receiving the greatest number of votes shall serve terms expiring June 1 following the second regularly scheduled election of directors under Subsection (e), and the remaining two directors shall serve terms expiring June 1 following the first regularly scheduled election of directors.

(e) Except as provided by Subsection (d), directors serve staggered four-year terms. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.107. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board in the plan for division.

(c) Any other district obligation shall be divided pro rata among the new districts and the original district on an acreage basis or on other terms that are satisfactory to the new districts.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.
Sec. 8109.108. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other and with the original district for:

(1) water and wastewater services; or
(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8109.151. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.152. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a corporation created under Section 380.001(c) or Chapter 501, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.153. AIRPORT. The district may construct, acquire, improve, maintain, and operate an airport and improvements in aid of the airport.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.154. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234,
Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.155. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8109.154 unless:

(1) each county that will operate and maintain the road has approved the plans and specifications of the road project, if a county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.156. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.157. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.
Sec. 8109.158. LIMITATION ON USE OF EMINENT DOMAIN. (a) The district may only exercise the power of eminent domain described by Chapters 49 and 54, Water Code.

(b) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:
   (1) a road project authorized by Section 8109.154; or
   (2) a recreational facility as defined by Section 49.462, Water Code.

(c) The district may not exercise the power of eminent domain for an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

SUBCHAPTER E. IMPROVEMENT PROJECTS

Sec. 8109.201. IMPROVEMENT PROJECTS; SERVICES. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects and services described by this subchapter or activities in support of or incidental to those projects and services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.202. BOARD DETERMINATION REQUIRED. The district may not undertake a project under this subchapter unless the board determines the project to be necessary to accomplish a public purpose of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.203. WATER. An improvement project may include a:
   (1) wastewater treatment and disposal facility;
(2) water quality protection facility; and
(3) facility to enhance groundwater recharge.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.204. IRRIGATION AND DRAINAGE. An improvement project may include facilities for irrigation and drainage.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.205. SOLID WASTE SERVICES. An improvement project may include solid waste management services, including garbage collection, recycling, and composting.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.206. CONVENTION CENTER. An improvement project may include the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:

(1) a conference, convention, or exhibition;
(2) a manufacturer, consumer, or trade show;
(3) a civic, community, or institutional event; or
(4) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.207. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE. In addition to the projects and services described by Section 375.112, Local Government Code, an improvement project may include the planning, design, construction, improvement, and maintenance of:
(1) highway right-of-way or transit corridor beautification and improvement;
(2) a hiking and cycling path or trail;
(3) a garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve; or
(4) a storm water detention improvement.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.208. SIMILAR IMPROVEMENT PROJECTS. An improvement project may include a public improvement, facility, or service similar to a project described by this subchapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

Sec. 8109.251. ASSESSMENTS. The district may levy and collect special assessments in the same manner and for the same purposes as a municipal management district as provided in Subchapter F, Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

SUBCHAPTER G. BONDS AND OTHER OBLIGATIONS

Sec. 8109.301. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, hotel occupancy taxes, sales and use taxes, other district money, or any combination of those sources to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.
Sec. 8109.302. ELECTIONS REGARDING TAXES AND BONDS. (a) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(b) Section 375.243, Local Government Code, does not apply to the district.

(c) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.303. TAXES FOR BONDS. (a) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of an ad valorem tax, without limit as to rate or amount, as required by Section 54.601, Water Code.

(b) The board shall annually impose the tax while all or part of the bonds are outstanding. Sections 54.601 and 54.602, Water Code, govern the amount and rate of the tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.304. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

SUBCHAPTER H. SALES AND USE TAX

Sec. 8109.351. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.
(a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.

(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.352. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) The board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the CLL Municipal Utility District No. 1 at a rate not to exceed ____ percent" (insert rate of one or more increments of one-eighth of one percent).

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.353. SALES AND USE TAX RATE. (a) Not later than the 10th day after the date the results are declared of an election held under Section 8109.352, at which the voters approved imposition of the tax authorized by this subchapter, the board shall determine the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) After the election held under Section 8109.352, the board may decrease the rate of the tax by one or more increments of one-eighth of one percent. The board may not decrease the rate of the tax if the decrease would impair the repayment of any outstanding debt or obligation payable from the tax.

(c) The initial rate of the tax or any rate resulting from
subsequent decreases may not exceed the lesser of:

(1) the maximum rate authorized by the district voters at
the election held under Section 8109.352; or

(2) a rate that, when added to the rates of all sales and
use taxes imposed by other political subdivisions with territory in
the district, would result in the maximum combined rate prescribed by
Section 321.101(f), Tax Code, at any location in the district.

(d) The board shall notify the comptroller of any changes made
to the tax rate in the same manner the municipal secretary provides
notice to the comptroller under Section 321.405(b), Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2,
eff. June 17, 2011.

Sec. 8109.354. USE OF REVENUE. Revenue from the sales and use
tax imposed under this subchapter is for the use and benefit of the
district and may be used for any district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2,
eff. June 17, 2011.

SUBCHAPTER I. HOTEL OCCUPANCY TAX

Sec. 8109.401. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.
(a) In this subchapter:

(1) a reference in Subchapter A, Chapter 351, Tax Code, to
a municipality is a reference to the district; and

(2) a reference in Subchapter A, Chapter 351, Tax Code, to
the governing body of a municipality is a reference to the board.

(b) Except as inconsistent with this subchapter, Subchapter A,
Chapter 351, Tax Code, governs a hotel occupancy tax authorized by
this subchapter, including the collection of the tax, subject to the
limitations prescribed by Sections 351.002(b) and (c), Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2,
eff. June 17, 2011.

Sec. 8109.402. TAX AUTHORIZED; USE OF REVENUE. The district
may impose a hotel occupancy tax for any purpose authorized by
Sec. 8109.403. TAX RATE. (a) The amount of the hotel occupancy tax may not exceed the maximum rate provided by Section 351.003(a), Tax Code.

(b) The district may not adopt a hotel occupancy tax at a rate that would cause the combined rate of all hotel occupancy taxes imposed by the district and other political subdivisions of this state at a location in the district to exceed 15 percent. If a political subdivision's adoption of a hotel occupancy tax rate causes the combined hotel occupancy tax rate imposed at a location in the district to exceed 15 percent, the district's hotel occupancy tax rate in the entire district is automatically reduced to bring the combined rate imposed at that location down to not more than 15 percent.

(c) The district shall notify each hotel in the district of any change in the hotel occupancy tax rate under this section.

(d) Any change in the hotel occupancy tax rate takes effect on the first day of the next calendar month following the change.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Chapter 8110. Verandah Municipal Utility District of Hunt County
Subchapter A. General Provisions

Sec. 8110.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Verandah Municipal Utility District of Hunt County.

Added by Acts 2005, 79th Leg., Ch. 547 (H.B. 1141), Sec. 2, eff. June 17, 2005.

Sec. 8110.002. NATURE OF DISTRICT. (a) The district is a
municipal utility district with road powers.

(b) The district is essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and will serve a public use and benefit.

Added by Acts 2005, 79th Leg., Ch. 547 (H.B. 1141), Sec. 2, eff. June 17, 2005.

**SUBCHAPTER B. POWERS AND DUTIES**

Sec. 8110.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 547 (H.B. 1141), Sec. 2, eff. June 17, 2005.

Sec. 8110.052. ROAD PROJECTS. The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

Added by Acts 2005, 79th Leg., Ch. 547 (H.B. 1141), Sec. 2, eff. June 17, 2005.

Sec. 8110.053. ROAD CONTRACTS. The district may contract for a road project in the same manner as provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2005, 79th Leg., Ch. 547 (H.B. 1141), Sec. 2, eff. June 17, 2005.

Sec. 8110.054. CERTIFICATE OF CONVENIENCE AND NECESSITY. (a) The district may pay out of bond proceeds or other available district money all expenses, including legal, engineering, and other fees, related to obtaining a new certificate of convenience and necessity.
under Chapter 13, Water Code, authorizing the district to provide retail water or sewer service inside or outside the district.

(b) The district may pay out of bond proceeds or other available district money all expenses, including the purchase price, related to acquiring certificate of convenience and necessity rights from another retail public utility to allow the district to provide retail water or sewer service in the district.

Added by Acts 2005, 79th Leg., Ch. 547 (H.B. 1141), Sec. 2, eff. June 17, 2005.

Sec. 8110.055. CONTRACT WITH POLITICAL SUBDIVISION FOR WATER OR SEWER SERVICES. (a) The district may enter into a contract to allow a political subdivision to provide retail water or sewer service in the district. The contract may contain terms the board considers desirable, fair, and advantageous to the district.

(b) The contract may provide that the district will construct or acquire and convey to the political subdivision a water supply or treatment system, a water distribution system, or a sanitary sewage collection or treatment system, as necessary to provide water or sewer service in the district.

(c) The district may use bond proceeds or other available district money to pay for its obligations and for services and facilities provided under the contract.

(d) If the contract requires the district to make payments from taxes other than operation and maintenance taxes, the contract is subject to Section 49.108, Water Code.

Added by Acts 2005, 79th Leg., Ch. 547 (H.B. 1141), Sec. 2, eff. June 17, 2005.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8110.101. OPERATION AND MAINTENANCE TAX. (a) The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

(b) Section 49.107(f), Water Code, does not apply to reimbursements for projects constructed or acquired under Section 8110.052.
Sec. 8110.102. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8110.151.

Sec. 8110.103. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code;

(4) a cable operator, as defined by 47 U.S.C. Section 522;

or

(5) a person who provides to the public advanced telecommunications services.

SUBCHAPTER D. BONDS

Sec. 8110.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) In addition to the general authority to issue bonds under Chapters 49 and 54, Water Code, the district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Section 8110.052.

(b) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money or any combination of those sources.
(c) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8110.052 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8110.052 may not exceed one-fourth of the assessed value of the real property in the district.

(e) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8110.052 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 547 (H.B. 1141), Sec. 2, eff. June 17, 2005.

For contingent expiration of this chapter, see Sec. 8111.003.

CHAPTER 8111. SONTERRA MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8111.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Sonterra Municipal Utility District.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

Sec. 8111.002. NATURE OF DISTRICT. The district is a municipal utility district in Williamson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

Sec. 8111.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8111.023 before September 1, 2009:
(1) the district is dissolved September 1, 2009, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Williamson County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

Sec. 8111.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

   (b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

   (1) the organization, existence, or validity of the district;
   (2) the right of the district to impose taxes; or
   (3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

Sec. 8111.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 30, 49, and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8111.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms that expire June 1 of even-numbered years.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

Sec. 8111.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

**SUBCHAPTER C. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS**

Sec. 8111.101. DIVISION OF DISTRICT; PREREQUISITES. (a) At any time before the district issues indebtedness secured by taxes or net revenues, the district, including any annexed territory, may be divided into an original district and one or more new districts. The board shall determine which portion of the divided area constitutes the original district.

(b) A district created by division of the original district under Subsection (a) may further subdivide as determined by the board of the new district.

(c) After a division under Subsection (a) or (b), the original district and any new district created must be at least 85 acres.

(d) The board by resolution may declare an intent to divide the district. The resolution must:

(1) set the terms of the division, including a plan for the payment or performance of any outstanding district obligations; and

(2) contain a metes and bounds description for each district, including the modified original district.

(e) Section 42.042, Local Government Code, and Section 54.016, Water Code, do not apply to the creation of a new district by division under this subchapter.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.
Sec. 8111.102. DISTRICT DIVISION BY ELECTION. (a) Except as provided by Section 8111.103, the board shall hold an election in the district to determine whether the district should be divided as proposed under Section 8111.101(d).

(b) The board shall give notice of the election not later than the 20th day before the date of the election. The notice must state:
   (1) the date and location of the election; and
   (2) the proposition to be voted on.

(c) If a majority of the votes are cast in favor of the division, the district is divided.

(d) If less than a majority of the votes are cast in favor of the division, the district may not be divided.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

Sec. 8111.103. DISTRICT DIVISION BY CONSENT. (a) The board may approve and order the division of the district without an election if the board has received written consent to the proposed division from all title holders of the land in the proposed new district or districts as indicated by the tax rolls of the central appraisal district.

(b) If the board orders the division without an election, the district is divided as of the date of the order.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

Sec. 8111.104. NOTICE OF DIVISION. Not later than the 30th day after the date of a division under this subchapter, the district shall provide written notice of the plan for division to:
   (1) the Texas Commission on Environmental Quality;
   (2) the attorney general;
   (3) the commissioners court of each county in which a new district is located; and
   (4) each municipality having extraterritorial jurisdiction over territory in a new district.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff.
Sec. 8111.105. DISTRICT NAMES FOLLOWING DIVISION. The area designated by the board as the original district retains the name of the original district. The resulting new districts are assigned consecutive letters to be appended to the name of the original district.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

Sec. 8111.106. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) After a division under this subchapter, the board shall continue to act as the board of the original district.

(b) Not later than the 90th day after the date of the division, the board shall appoint five directors for each of the new districts. A person appointed under this subsection is not required to own land in or reside in the district for which the director is appointed.

(c) Directors of the original district serve the staggered terms to which they were elected before the division. Directors appointed under Subsection (b) serve until June 1 following the election for directors under Subsection (d).

(d) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, an election shall be held to elect five directors in each district for which directors were appointed under Subsection (b). Of the five directors elected in each district, the three directors receiving the greatest number of votes shall serve terms expiring June 1 following the second regularly scheduled election of directors under Subsection (e), and the remaining two directors shall serve terms expiring June 1 following the first regularly scheduled election of directors.

(e) Except as provided by Subsection (d), directors serve staggered four-year terms. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.
Sec. 8111.107. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board in the plan for division.

(c) Any other district obligation shall be divided pro rata among the new districts and the original district on an acreage basis or on other terms that are satisfactory to the new districts.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

Sec. 8111.108. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or

(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

Sec. 8111.109. ANNEXATION. A municipality may annex the original district, or a new district that is created as a result of a division of the district under Section 8111.102 or 8111.103, only after:

(1) the district has installed at least 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary to:

    (A) provide service to the proposed development in the district;
    (B) accomplish the purposes for which the district was created; and
    (C) exercise the powers provided by general law and this chapter; or
at least 10 years have elapsed since the creation of the district was confirmed at an election held under Section 8111.023.

Added by Acts 2005, 79th Leg., Ch. 1168 (H.B. 3497), Sec. 1, eff. September 1, 2005.

CHAPTER 8112. EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 8

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8112.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the East Montgomery County Municipal Utility District No. 8.

Added by Acts 2005, 79th Leg., Ch. 839 (S.B. 883), Sec. 1, eff. September 1, 2005.

Sec. 8112.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 839 (S.B. 883), Sec. 1, eff. September 1, 2005.

Sec. 8112.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or
indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 839 (S.B. 883), Sec. 1, eff. September 1, 2005.

Sec. 8112.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 839 (S.B. 883), Sec. 1, eff. September 1, 2005.

SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 8112.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2005, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The Texas Commission on Environmental Quality shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the date the directors are elected under Section 8112.023.

(e) If permanent directors have not been elected under Section 8112.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8112.023; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(f) If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2005, 79th Leg., Ch. 839 (S.B. 883), Sec. 1, eff. September 1, 2005.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1065 (H.B. 4715), Sec. 1, eff. June 19, 2009.

Sec. 8112.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting shall be at the Montgomery County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2005, 79th Leg., Ch. 839 (S.B. 883), Sec. 1, eff. September 1, 2005.

Sec. 8112.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Added by Acts 2005, 79th Leg., Ch. 839 (S.B. 883), Sec. 1, eff. September 1, 2005.

Sec. 8112.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8112.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8112.052 and which three shall serve until the second regularly scheduled election of directors.
Sec. 8112.025. FIRST REGULARLY SCHEDULED ELECTION OF DIRECTORS. The board by order may postpone the first election under Section 8112.052 following the confirmation and directors' election held under Section 8112.023 if:

(1) the election would otherwise occur not later than the 60th day after the date on which the confirmation election is held; or

(2) the board determines that there is not sufficient time to comply with the requirements of law and to order the election.

Sec. 8112.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Sec. 8112.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Sec. 8112.101. UTILITIES. The district may not impose an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility as defined by Section 31.002, Utilities Code;
Sec. 8112.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by a municipality in the corporate limits or extraterritorial jurisdiction of which the district is located, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 839 (S.B. 883), Sec. 1, eff. September 1, 2005.

Sec. 8112.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 2, eff. September 1, 2015.
CHAPTER 8113. EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8113.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the East Montgomery County Municipal Utility District No. 9.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

Sec. 8113.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

Sec. 8113.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

Sec. 8113.005. APPLICABILITY OF OTHER LAW. Except as otherwise
provided by this chapter, Chapters 49 and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

**SUBCHAPTER A1. TEMPORARY PROVISIONS**

Sec. 8113.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2005, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The Texas Commission on Environmental Quality shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the date the directors are elected under Section 8113.023.

(e) If permanent directors have not been elected under Section 8113.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8113.023; or
2. the fourth anniversary of the date of the appointment or reappointment.

(f) If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1065 (H.B. 4715), Sec. 2, eff.
Sec. 8113.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting shall be at the Montgomery County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

Sec. 8113.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

Sec. 8113.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8113.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8113.052 and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

Sec. 8113.025. FIRST REGULARLY SCHEDULED ELECTION OF DIRECTORS. The board by order may postpone the first election under Section 8113.052 following the confirmation and directors' election held under Section 8113.023 if:
(1) the election would otherwise occur not later than the 60th day after the date on which the confirmation election is held; or

(2) the board determines that there is not sufficient time to comply with the requirements of law and to order the election.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8113.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

Sec. 8113.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8113.101. UTILITIES. The district may not impose an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff.
Sec. 8113.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by a municipality in the corporate limits or extraterritorial jurisdiction of which the district is located, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 840 (S.B. 884), Sec. 1, eff. September 1, 2005.

Sec. 8113.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 3, eff. September 1, 2015.

CHAPTER 8114. EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8114.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the East Montgomery County Municipal Utility District No. 10.
Sec. 8114.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8114.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Sec. 8114.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the district.

Sec. 8114.021. TEMPORARY DIRECTORS. (a) On or after September
1, 2005, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The Texas Commission on Environmental Quality shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the date the directors are elected under Section 8114.023.

(e) If permanent directors have not been elected under Section 8114.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8114.023; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(f) If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2005, 79th Leg., Ch. 841 (S.B. 885), Sec. 1, eff. September 1, 2005.
Amended by:

Sec. 8114.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting
shall be at the Montgomery County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2005, 79th Leg., Ch. 841 (S.B. 885), Sec. 1, eff. September 1, 2005.

Sec. 8114.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Added by Acts 2005, 79th Leg., Ch. 841 (S.B. 885), Sec. 1, eff. September 1, 2005.

Sec. 8114.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8114.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8114.052 and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2005, 79th Leg., Ch. 841 (S.B. 885), Sec. 1, eff. September 1, 2005.

Sec. 8114.025. FIRST REGULARLY SCHEDULED ELECTION OF DIRECTORS. The board by order may postpone the first election under Section 8114.052 following the confirmation and directors' election held under Section 8114.023 if:

(1) the election would otherwise occur not later than the 60th day after the date on which the confirmation election is held; or

(2) the board determines that there is not sufficient time to comply with the requirements of law and to order the election.

Added by Acts 2005, 79th Leg., Ch. 841 (S.B. 885), Sec. 1, eff. September 1, 2005.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8114.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 841 (S.B. 885), Sec. 1, eff. September 1, 2005.

Sec. 8114.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 841 (S.B. 885), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8114.101. UTILITIES. The district may not impose an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 841 (S.B. 885), Sec. 1, eff. September 1, 2005.

Sec. 8114.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by a municipality in the corporate limits or extraterritorial jurisdiction of which the
Sec. 8114.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 4, eff. September 1, 2015.

CHAPTER 8115. EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 11

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8115.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the East Montgomery County Municipal Utility District No. 11.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.

Sec. 8115.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas
Constitution.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.

Sec. 8115.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.

Sec. 8115.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.

SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 8115.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2005, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The Texas Commission on Environmental Quality shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).
(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the date the directors are elected under Section 8115.023.

(e) If permanent directors have not been elected under Section 8115.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8115.023; or
2. the fourth anniversary of the date of the appointment or reappointment.

(f) If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1065 (H.B. 4715), Sec. 4, eff. June 19, 2009.

Sec. 8115.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting shall be at the Montgomery County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.
Sec. 8115.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.

Sec. 8115.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8115.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8115.052 and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.

Sec. 8115.025. FIRST REGULARLY SCHEDULED ELECTION OF DIRECTORS. The board by order may postpone the first election under Section 8115.052 following the confirmation and directors' election held under Section 8115.023 if:

(1) the election would otherwise occur not later than the 60th day after the date on which the confirmation election is held; or

(2) the board determines that there is not sufficient time to comply with the requirements of law and to order the election.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8115.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff.
Sec. 8115.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8115.101. UTILITIES. The district may not impose an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.

Sec. 8115.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by a municipality in the corporate limits or extraterritorial jurisdiction of which the district is located, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 842 (S.B. 886), Sec. 1, eff. September 1, 2005.
Sec. 8115.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 5, eff. September 1, 2015.

CHAPTER 8116. EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 12

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8116.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the East Montgomery County Municipal Utility District No. 12.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4654, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8116.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.
Sec. 8116.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.

Sec. 8116.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.

SUBCHAPTER A1. TEMPORARY PROVISIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4654, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8116.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2005, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The Texas Commission on Environmental Quality shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall
be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the date the directors are elected under Section 8116.023.

(e) If permanent directors have not been elected under Section 8116.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8116.023; or
2. the fourth anniversary of the date of the appointment or reappointment.

(f) If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.

Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1065 (H.B. 4715), Sec. 5, eff. June 19, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4654, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8116.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS.
As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting shall be at the Montgomery County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.
Sec. 8116.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION.
(a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.
(b) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.

Sec. 8116.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8116.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8116.052 and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.

Sec. 8116.025. FIRST REGULARLY SCHEDULED ELECTION OF DIRECTORS. The board by order may postpone the first election under Section 8116.052 following the confirmation and directors' election held under Section 8116.023 if:

1. the election would otherwise occur not later than the 60th day after the date on which the confirmation election is held; or
2. the board determines that there is not sufficient time
to comply with the requirements of law and to order the election.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4654, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8116.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4654, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8116.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8116.101. UTILITIES. The district may not impose an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522,
Sec. 8116.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by a municipality in the corporate limits or extraterritorial jurisdiction of which the district is located, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 843 (S.B. 887), Sec. 1, eff. September 1, 2005.

Sec. 8116.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 6, eff. September 1, 2015.

CHAPTER 8117. EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 13

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8117.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the East Montgomery County Municipal Utility District No. 13.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.

Sec. 8117.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.

Sec. 8117.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.

Sec. 8117.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.
SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 8117.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2005, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The Texas Commission on Environmental Quality shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the date the directors are elected under Section 8117.023.

(e) If permanent directors have not been elected under Section 8117.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8117.023; or
2. the fourth anniversary of the date of the appointment or reappointment.

(f) If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1065 (H.B. 4715), Sec. 6, eff. June 19, 2009.

Sec. 8117.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS.
As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting shall be at the Montgomery County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.

Sec. 8117.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.

Sec. 8117.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8117.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8117.052 and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.

Sec. 8117.025. FIRST REGULARLY SCHEDULED ELECTION OF DIRECTORS. The board by order may postpone the first election under Section 8117.052 following the confirmation and directors' election held under Section 8117.023 if:

(1) the election would otherwise occur not later than the 60th day after the date on which the confirmation election is held; or

(2) the board determines that there is not sufficient time
to comply with the requirements of law and to order the election.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8117.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.

Sec. 8117.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8117.101. UTILITIES. The district may not impose an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of:

1. an electric utility as defined by Section 31.002, Utilities Code;
2. a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
3. a telecommunications provider as defined by Section 51.002, Utilities Code; or
4. a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.

Sec. 8117.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR
RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by a municipality in the corporate limits or extraterritorial jurisdiction of which the district is located, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 844 (S.B. 889), Sec. 1, eff. September 1, 2005.

Sec. 8117.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 7, eff. September 1, 2015.

CHAPTER 8118. EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 14

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8118.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the East Montgomery County Municipal Utility District No. 14.

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff. September 1, 2005.
Sec. 8118.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff. September 1, 2005.

Sec. 8118.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff. September 1, 2005.

Sec. 8118.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff. September 1, 2005.

SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 8118.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2005, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.
(b) The Texas Commission on Environmental Quality shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the date the directors are elected under Section 8118.023.

(e) If permanent directors have not been elected under Section 8118.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8118.023; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(f) If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1065 (H.B. 4715), Sec. 7, eff. June 19, 2009.

Sec. 8118.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting shall be at the Montgomery County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff.
Sec. 8118.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION.  
(a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.  
(b) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.  

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff. September 1, 2005.

Sec. 8118.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8118.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8118.052 and which three shall serve until the second regularly scheduled election of directors.  

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff. September 1, 2005.

Sec. 8118.025. FIRST REGULARLY SCHEDULED ELECTION OF DIRECTORS. The board by order may postpone the first election under Section 8118.052 following the confirmation and directors' election held under Section 8118.023 if:  
(1) the election would otherwise occur not later than the 60th day after the date on which the confirmation election is held; or  
(2) the board determines that there is not sufficient time to comply with the requirements of law and to order the election.  

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS  
Sec. 8118.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff. September 1, 2005.

Sec. 8118.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8118.101. UTILITIES. The district may not impose an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff. September 1, 2005.

Sec. 8118.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by a municipality in the corporate limits or extraterritorial jurisdiction of which the district is located, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 845 (S.B. 891), Sec. 1, eff.
Sec. 8118.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 8, eff. September 1, 2015.

CHAPTER 8119. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 100

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8119.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Montgomery County Municipal Utility District No. 100.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff. September 1, 2005.

Sec. 8119.002. NATURE OF DISTRICT; FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The creation of the district is essential to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, improvement, operation, or
maintenance of macadamized, graveled, or paved roads, or
improvements, including storm drainage, in aid of those roads.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff.
September 1, 2005.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 5(a), eff.
June 12, 2017.
Acts 2017, 85th Leg., R.S., Ch. 658 (S.B. 2252), Sec. 1, eff.
June 12, 2017.

Sec. 8119.004. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process
does not affect:
(1) the organization, existence, or validity of the
district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or
indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff.
September 1, 2005.

Sec. 8119.005. APPLICABILITY OF OTHER WATER DISTRICTS LAW.
Except as otherwise provided by this chapter, Chapters 49 and 54,
Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff.
September 1, 2005.

SUBCHAPTER A-1. TEMPORARY PROVISIONS
Sec. 8119.021. TEMPORARY DIRECTORS. (a) On or after September
1, 2005, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the date the directors are elected under Section 8119.023.

(e) If permanent directors have not been elected under Section 8119.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8119.023; or
2. the fourth anniversary of the date of the appointment or reappointment.

(f) If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff. September 1, 2005.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1065 (H.B. 4715), Sec. 8, eff. June 19, 2009.

Sec. 8119.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting
shall be at the Montgomery County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff. September 1, 2005.

Sec. 8119.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.  
(b) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff. September 1, 2005.

Sec. 8119.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8119.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8119.052 and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff. September 1, 2005.

Sec. 8119.025. FIRST REGULARLY SCHEDULED ELECTION OF DIRECTORS. The board by order may postpone the first election under Section 8119.052 following the confirmation and directors' election held under Section 8119.023 if:

(1) the election would otherwise occur not later than the 60th day after the date on which the confirmation election is held; or

(2) the board determines that there is not sufficient time to comply with the requirements of law and to order the election.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff. September 1, 2005.
SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8119.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff. September 1, 2005.

Sec. 8119.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8119.101. UTILITIES. The district may not impose an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of:
(1) an electric utility as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff. September 1, 2005.

Sec. 8119.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by a municipality in the corporate limits or extraterritorial jurisdiction of which the
district is located, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff. September 1, 2005.

Sec. 8119.103. LIMITATION ON USE OF EMINENT DOMAIN. (a) The district may not exercise the power of eminent domain outside the district boundaries to acquire a site for a water treatment plant, water storage facility, wastewater treatment plant, or wastewater disposal facility.

(b) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(c) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (b).

Added by Acts 2005, 79th Leg., Ch. 1222 (H.B. 1054), Sec. 1, eff. September 1, 2005.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 9, eff. September 1, 2015.

Sec. 8119.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 5(b),
Sec. 8119.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 5(b), eff. June 12, 2017.

Sec. 8119.151. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 5(c), eff. June 12, 2017.

CHAPTER 8120. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 101

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8120.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Montgomery County Municipal Utility District No. 101.

Added by Acts 2005, 79th Leg., Ch. 1028 (H.B. 1055), Sec. 1, eff. September 1, 2005.

Sec. 8120.002. NATURE OF DISTRICT; FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The creation of the district is essential to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2005, 79th Leg., Ch. 1028 (H.B. 1055), Sec. 1, eff. September 1, 2005.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 6(a), eff. June 12, 2017.
Acts 2017, 85th Leg., R.S., Ch. 659 (S.B. 2253), Sec. 1, eff. June 12, 2017.

Sec. 8120.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or
indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 1028 (H.B. 1055), Sec. 1, eff. September 1, 2005.

Sec. 8120.005. APPLICABILITY OF OTHER WATER DISTRICTS LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 1028 (H.B. 1055), Sec. 1, eff. September 1, 2005.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8120.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2005, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the date the directors are elected under Section 8120.023.

(e) If permanent directors have not been elected under Section 8120.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8120.023; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(f) If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2005, 79th Leg., Ch. 1028 (H.B. 1055), Sec. 1, eff. September 1, 2005.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1065 (H.B. 4715), Sec. 9, eff. June 19, 2009.

Sec. 8120.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting shall be at the Montgomery County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2005, 79th Leg., Ch. 1028 (H.B. 1055), Sec. 1, eff. September 1, 2005.

Sec. 8120.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.
(b) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Added by Acts 2005, 79th Leg., Ch. 1028 (H.B. 1055), Sec. 1, eff. September 1, 2005.

Sec. 8120.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8120.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8120.052 and which three shall serve until the second regularly scheduled election of directors.
Sec. 8120.025. FIRST REGULARLY SCHEDULED ELECTION OF DIRECTORS. The board by order may postpone the first election under Section 8120.052 following the confirmation and directors' election held under Section 8120.023 if:

(1) the election would otherwise occur not later than the 60th day after the date on which the confirmation election is held; or

(2) the board determines that there is not sufficient time to comply with the requirements of law and to order the election.

Sec. 8120.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Sec. 8120.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Subchapter C. Powers and Duties

Sec. 8120.101. UTILITIES. The district may not impose an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 1028 (H.B. 1055), Sec. 1, eff. September 1, 2005.

Sec. 8120.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by a municipality in the corporate limits or extraterritorial jurisdiction of which the district is located, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 1028 (H.B. 1055), Sec. 1, eff. September 1, 2005.

Sec. 8120.103. LIMITATION ON USE OF EMINENT DOMAIN. (a) The district may not exercise the power of eminent domain outside the district boundaries to acquire a site for a water treatment plant, water storage facility, wastewater treatment plant, or wastewater disposal facility.

(b) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(c) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (b).
Sec. 8120.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 6(b), eff. June 12, 2017.
Added by Acts 2017, 85th Leg., R.S., Ch. 659 (S.B. 2253), Sec. 2, eff. June 12, 2017.

Sec. 8120.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 6(b), eff. June 12, 2017.
Added by Acts 2017, 85th Leg., R.S., Ch. 659 (S.B. 2253), Sec. 2, eff. June 12, 2017.

SUBCHAPTER D. BONDS
Sec. 8120.151. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 640 (H.B. 4334), Sec. 6(c), eff. June 12, 2017.
Added by Acts 2017, 85th Leg., R.S., Ch. 659 (S.B. 2253), Sec. 3, eff. June 12, 2017.

CHAPTER 8121. BEVIL OAKS MUNICIPAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8121.001. DEFINITION. In this chapter, "district" means the Bevil Oaks Municipal Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8121.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Jefferson County, created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8121.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Sec. 8121.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 6, Chapter 621, Acts of the 63rd Legislature, Regular Session, 1973, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8121.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8121.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8121.102. HEARING NOT REQUIRED FOR EXCLUSION OF TERRITORY.
The board is not required to call or hold a hearing on the exclusion of land or other property from the district, including a hearing on the petition of a landowner or other property owner in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

For contingent expiration of this chapter, see Sec. 8122.003.

CHAPTER 8122.  FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 177

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8122.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Fort Bend County Municipal Utility District No. 177.

Added by Acts 2005, 79th Leg., Ch. 430 (S.B. 1795), Sec. 1, eff. September 1, 2005.
Added by Acts 2005, 79th Leg., Ch. 1166 (H.B. 3476), Sec. 1, eff. September 1, 2005.

Sec. 8122.002.  NATURE OF DISTRICT.  The district is a municipal utility district in Fort Bend County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 430 (S.B. 1795), Sec. 1, eff. September 1, 2005.
Added by Acts 2005, 79th Leg., Ch. 1166 (H.B. 3476), Sec. 1, eff. September 1, 2005.

Sec. 8122.003.  CONFIRMATION ELECTION REQUIRED.  If the creation of the district is not confirmed at a confirmation election held under Section 8122.023 before September 1, 2007:
(1) the district is dissolved September 1, 2007, except that:
   (A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Fort Bend County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 430 (S.B. 1795), Sec. 1, eff. September 1, 2005.
Added by Acts 2005, 79th Leg., Ch. 1166 (H.B. 3476), Sec. 1, eff. September 1, 2005.

Sec. 8122.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 430 (S.B. 1795), Sec. 1, eff. September 1, 2005.
Added by Acts 2005, 79th Leg., Ch. 1166 (H.B. 3476), Sec. 1, eff. September 1, 2005.

Sec. 8122.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 430 (S.B. 1795), Sec. 1, eff. September 1, 2005.
Added by Acts 2005, 79th Leg., Ch. 1166 (H.B. 3476), Sec. 1, eff. September 1, 2005.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8122.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 430 (S.B. 1795), Sec. 1, eff. September 1, 2005.
Added by Acts 2005, 79th Leg., Ch. 1166 (H.B. 3476), Sec. 1, eff. September 1, 2005.

Sec. 8122.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 430 (S.B. 1795), Sec. 1, eff. September 1, 2005.
Added by Acts 2005, 79th Leg., Ch. 1166 (H.B. 3476), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8122.101. GENERAL POWERS. The district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 430 (S.B. 1795), Sec. 1, eff. September 1, 2005.
Added by Acts 2005, 79th Leg., Ch. 1166 (H.B. 3476), Sec. 1, eff. September 1, 2005.

Sec. 8122.102. ROAD PROJECTS. The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.
Sec. 8122.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Rosenberg, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Sec. 8122.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8122.201.

Sec. 8122.152. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 430 (S.B. 1795), Sec. 1, eff. September 1, 2005.
Added by Acts 2005, 79th Leg., Ch. 1166 (H.B. 3476), Sec. 1, eff. September 1, 2005.

**SUBCHAPTER E. BONDS**

Sec. 8122.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8122.101 and 8122.102.

(b) The district may not issue bonds to finance projects authorized by Section 8122.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8122.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8122.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 430 (S.B. 1795), Sec. 1, eff. September 1, 2005.
Added by Acts 2005, 79th Leg., Ch. 1166 (H.B. 3476), Sec. 1, eff. September 1, 2005.

**CHAPTER 8123. PARKER CREEK MUNICIPAL UTILITY DISTRICT OF ROCKWALL COUNTY**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8123.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Parker Creek Municipal Utility District of Rockwall County.

Added by Acts 2005, 79th Leg., Ch. 902 (S.B. 1881), Sec. 1, eff. June
17, 2005.

Sec. 8123.002. NATURE OF DISTRICT. The district is a municipal utility district in Rockwall County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 902 (S.B. 1881), Sec. 1, eff. June 17, 2005.

Sec. 8123.003. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 902 (S.B. 1881), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8123.102. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate paved roads and enhancements or improvements to those roads in or adjacent to the district.

(b) A road project authorized by this section must meet or exceed all applicable construction standards mutually agreed upon by the district and any municipality in whose corporate boundaries or extraterritorial jurisdiction the district is located.

(c) The district may contract for a road project in the manner provided by Subchapter I, Chapter 49, Water Code.

(d) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 902 (S.B. 1881), Sec. 1, eff. June 17, 2005.
Sec. 8123.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds in accordance with Chapters 49 and 54, Water Code, and to finance the construction, operation, or maintenance of a project under Section 8123.102.

(b) District bonds or other obligations are payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, other district money, or any combination of those sources of money.

(c) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8123.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8123.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2005, 79th Leg., Ch. 902 (S.B. 1881), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 1349 (S.B. 2054), Sec. 2, eff. June 15, 2007.

Sec. 8123.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8123.151.

Added by Acts 2005, 79th Leg., Ch. 902 (S.B. 1881), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 1349 (S.B. 2054), Sec. 3, eff. June 15, 2007.
Sec. 8123.153. OPERATION AND MAINTENANCE TAX. The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

Added by Acts 2005, 79th Leg., Ch. 902 (S.B. 1881), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 1349 (S.B. 2054), Sec. 5, eff. June 15, 2007.

For contingent expiration of this chapter, see Sec. 8124.003.

CHAPTER 8124. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 460

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8124.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Harris County Municipal Utility District No. 460.

Added by Acts 2005, 79th Leg., Ch. 463 (S.B. 1884), Sec. 1, eff. September 1, 2005.

Sec. 8124.002. NATURE OF DISTRICT. The district is a municipal utility district in Harris County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 463 (S.B. 1884), Sec. 1, eff. September 1, 2005.

Sec. 8124.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8124.023 before September 1, 2007:
(1) the district is dissolved September 1, 2007, except that:
(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts
shall be transferred to Harris County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 463 (S.B. 1884), Sec. 1, eff. September 1, 2005.

Sec. 8124.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 463 (S.B. 1884), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8124.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 463 (S.B. 1884), Sec. 1, eff. September 1, 2005.

Sec. 8124.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.
Sec. 8124.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8124.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.

Sec. 8124.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Houston, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Statute text rendered on: 6/18/2019 - 5490 -
Sec. 8124.104. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for a pipeline that serves the district.

Added by Acts 2005, 79th Leg., Ch. 463 (S.B. 1884), Sec. 1, eff. September 1, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8124.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8124.201.

Added by Acts 2005, 79th Leg., Ch. 463 (S.B. 1884), Sec. 1, eff. September 1, 2005.

SUBCHAPTER E. BONDS

Sec. 8124.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8124.101 and 8124.102.

(b) The district may not issue bonds to finance projects authorized by Section 8124.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8124.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8124.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 463 (S.B. 1884), Sec. 1, eff. September 1, 2005.
CHAPTER 8125. THE LAKES FRESH WATER SUPPLY DISTRICT OF DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8125.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means The Lakes Fresh Water Supply District of Denton County.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

Sec. 8125.002. NATURE OF DISTRICT. The district is a fresh water supply district in Denton County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

Sec. 8125.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8125.023 before September 1, 2007:
(1) the district is dissolved September 1, 2007, except that:
    (A) any debts incurred shall be paid;
    (B) any assets that remain after the payment of debts shall be transferred to Denton County; and
    (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.
Sec. 8125.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes; or

(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8125.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

Sec. 8125.052. QUALIFICATIONS. Directors must meet only the qualifications for directors provided by Chapters 49 and 54, Water Code.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

Sec. 8125.053. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.
Sec. 8125.101. MUNICIPAL UTILITY DISTRICT AND FRESH WATER SUPPLY DISTRICT POWERS AND DUTIES. (a) Except as provided by Subsections (b) and (c), the district has the powers and duties provided by the general law of this state, including Chapters 49, 53, and 54, Water Code, applicable to municipal utility districts and fresh water supply districts created under Section 59, Article XVI, Texas Constitution.

(b) Sections 53.029(b), 53.030-53.034, and 53.040-53.043, Water Code, do not apply to the district.

(c) If a provision of Chapter 53, Water Code, is in conflict or inconsistent with this chapter or Chapter 54, Water Code, this chapter and Chapter 54, Water Code, prevail.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

Sec. 8125.102. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

(b) A project authorized by this section must meet only the construction standards adopted by the North Central Texas Council of Governments, or its successor agency.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

Sec. 8125.103. ROAD CONTRACTS. The district may contract for a road project in the same manner as provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

Sec. 8125.104. WATER CONTROL AND STORAGE PROJECTS. (a) The district may construct, acquire, improve, enlarge, extend, repair, or maintain dams, levees, walls, dikes, embankments, canals, reservoirs,
lakes, or other improvements as necessary to control, store, or preserve water in the district for any useful purpose.

(b) The district may overflow and inundate district lands and other district property in the district.

(c) A project authorized by this section is subject to all applicable permitting and regulatory requirements.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

Sec. 8125.105. CERTIFICATE OF CONVENIENCE AND NECESSITY. (a) The district may pay out of bond proceeds or other available district money all expenses, including legal, engineering, and other fees, related to obtaining a new certificate of convenience and necessity under Chapter 13, Water Code, authorizing the district to provide retail water or sewer service inside or outside the district.

(b) The district may pay out of bond proceeds or other available district money all expenses, including the purchase price, related to acquiring certificate of convenience and necessity rights from another retail public utility to allow the district to provide retail water or sewer service in the district.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

Sec. 8125.106. CONTRACT WITH POLITICAL SUBDIVISION FOR WATER OR SEWER SERVICES. (a) The district may enter into a contract to allow a political subdivision to provide retail water or sewer service in the district. The contract may contain terms the board considers desirable, fair, and advantageous to the district.

(b) The contract may provide that the district will construct or acquire and convey or lease to the political subdivision a water supply or treatment system, a water distribution system, or a sanitary sewage collection or treatment system, as necessary to provide water or sewer service in the district.

(c) The district may use bond proceeds or other available district money to pay for its obligations and for services and facilities provided under the contract.

(d) If the contract requires the district to make payments from
taxes other than operation and maintenance taxes, the contract is subject to Section 49.108, Water Code.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS

Sec. 8125.151. OPERATION AND MAINTENANCE TAX. (a) The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.
(b) Section 49.107(f), Water Code, does not apply to reimbursements for projects constructed or acquired under Section 8125.102.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

Sec. 8125.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8125.201.

Added by Acts 2005, 79th Leg., Ch. 1167 (H.B. 3490), Sec. 1, eff. June 18, 2005.

Sec. 8125.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:
(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code;
(4) a cable operator as defined by 47 U.S.C. Section 522; or
(5) a person who provides to the public advanced telecommunications services.
For contingent expiration of this chapter, see Sec. 8126.003.
CHAPTER 8126. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8126.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Denton County Municipal Utility District No. 6.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.
Sec. 8126.002. NATURE OF DISTRICT. The district is a municipal utility district in Denton County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

Sec. 8126.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8126.023 before September 1, 2007:

(1) the district is dissolved September 1, 2007, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Denton County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

Sec. 8126.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.
Sec. 8126.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49, 53, and 54, Water Code, apply to the district.

Sec. 8126.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Sec. 8126.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Sec. 8126.101. MUNICIPAL UTILITY DISTRICT AND FRESH WATER SUPPLY DISTRICT POWERS AND DUTIES. (a) Except as provided by Subsections (b) and (c), the district has the powers and duties provided by the general law of this state, including Chapters 49, 53, and 54, Water Code, applicable to municipal utility districts and fresh water supply districts created under Section 52, Article III, and Section 59, Article XVI, Texas Constitution.
(b) Sections 53.029(b), 53.030-53.034, and 53.040-53.043, Water Code, do not apply to the district.
(c) If a provision of Chapter 53, Water Code, is in conflict or inconsistent with this chapter or Chapter 54, Water Code, this
chapter and Chapter 54, Water Code, prevail.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

Sec. 8126.102. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

(b) A project authorized by this section must meet only the construction standards adopted by the North Central Texas Council of Governments, or its successor agency.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

Sec. 8126.103. ROAD CONTRACTS. The district may contract for a road project in the same manner as provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

Sec. 8126.104. CERTIFICATE OF CONVENIENCE AND NECESSITY. (a) The district may pay out of bond proceeds or other available district money all expenses, including legal, engineering, and other fees, related to obtaining a new certificate of convenience and necessity under Chapter 13, Water Code, authorizing the district to provide retail water or sewer service inside or outside the district.

(b) The district may pay out of bond proceeds or other available district money all expenses, including the purchase price, related to acquiring certificate of convenience and necessity rights from another retail public utility to allow the district to provide retail water or sewer service in the district.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.
Sec. 8126.105. CONTRACT WITH POLITICAL SUBDIVISION FOR WATER OR SEWER SERVICES. (a) The district may enter into a contract to allow a political subdivision to provide retail water or sewer service in the district. The contract may contain terms the board considers desirable, fair, and advantageous to the district.

(b) The contract may provide that the district will construct or acquire and convey or lease to the political subdivision a water supply or treatment system, a water distribution system, or a sanitary sewage collection or treatment system, as necessary to provide water or sewer service in the district.

(c) The district may use bond proceeds or other available district money to pay for its obligations and for services and facilities provided under the contract.

(d) If the contract requires the district to make payments from taxes other than operation and maintenance taxes, the contract is subject to Section 49.108, Water Code.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

Sec. 8126.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Aubrey, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

Sec. 8126.107. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.
(d) Any new district created by the division of the district may not contain any land outside the area described by Section 2, Chapter 774, Acts of the 79th Legislature, Regular Session, 2005.

Added by Acts 2007, 80th Leg., R.S., Ch. 1239 (H.B. 2523), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8126.151. OPERATION AND MAINTENANCE TAX. (a) The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

(b) Section 49.107(f), Water Code, does not apply to reimbursements for projects constructed or acquired under Section 8126.102.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

Sec. 8126.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8126.201.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

Sec. 8126.153. TAX FOR CONTRACTUAL OBLIGATIONS. The district may impose a tax to pay for the district's contractual obligations under Section 8126.103.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

Sec. 8126.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as
defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code;
(4) a cable operator as defined by 47 U.S.C. Section 522; or
(5) a person who provides to the public advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

SUBCHAPTER E. BONDS

Sec. 8126.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8126.101 and 8126.102.

(b) The district may not issue bonds to finance projects under Section 8126.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8126.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181, 49.182, and 50.107, Water Code, do not apply to a project undertaken by the district under Section 8126.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 774 (H.B. 3534), Sec. 1, eff. September 1, 2005.

CHAPTER 8127. BILMA PUBLIC UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8127.001. DEFINITION. In this chapter, "district" means the Bilma Public Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
Sec. 8127.002. NATURE OF DISTRICT. Notwithstanding provisions of the general laws relating to consent by political subdivisions for the creation of conservation and reclamation districts, the district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8127.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8127.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 559, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-512, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its
governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8127.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8127.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

For contingent expiration of this chapter, see Sec. 8128.003.

**CHAPTER 8128. SCHERTZ MUNICIPAL UTILITY DISTRICT NO. 1**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8128.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Schertz Municipal Utility District No. 1.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

Sec. 8128.002. NATURE OF DISTRICT. The district is a municipal utility district in Bexar County created under and essential to
Sec. 8128.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8128.022 before September 1, 2007:

(1) the district is dissolved September 1, 2007, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to the City of Schertz; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

Sec. 8128.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

Sec. 8128.005. APPLICABILITY OF OTHER LAW. Except as otherwise
provided by this chapter, Chapters 30, 49, and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8128.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

Sec. 8128.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

**SUBCHAPTER C. DIVISION OF DISTRICT TO MULTIPLE DISTRICTS**

Sec. 8128.101. DIVISION OF DISTRICT; REQUIREMENTS. (a) At any time before the district issues indebtedness secured by taxes or net revenues, the district, including any annexed territory, may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) The board by resolution may declare an intent to divide the district. The resolution must:

(1) set the terms of the division, including a plan for the payment or performance of any outstanding district obligations; and

(2) contain a metes and bounds description for each new district.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.
Sec. 8128.102. DISTRICT DIVISION BY ELECTION. (a) The board shall hold an election in the district to determine whether the district should be divided as proposed under Section 8128.101.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:

(1) the date and location of the election; and
(2) the proposition to be voted on.

(c) If a majority of the votes are cast in favor of the division, the district is divided.

(d) If less than a majority of the votes are cast in favor of the division, the district may not be divided.

(e) The resulting new districts are separate districts and shall be governed as separate districts.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

Sec. 8128.103. NOTICE OF DIVISION. Not later than the 30th day after the date of a division under this subchapter, the district shall provide written notice of the plan for division to:

(1) the Texas Commission on Environmental Quality;
(2) the attorney general;
(3) the commissioners court of each county in which a new district is located; and
(4) each municipality having extraterritorial jurisdiction over territory in a new district.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

Sec. 8128.104. DISTRICT NAMES FOLLOWING DIVISION. The resulting new districts are assigned consecutive letters to be appended to the name of the original district.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

Sec. 8128.105. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a)
Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:

(1) appoint itself as the board of one of the new districts; and

(2) appoint five directors for each of the other new districts.

(b) A director appointed under Subsection (a)(1) serves the term to which that director was elected in the original district. A director appointed under Subsection (a)(2):

(1) serves until the election for directors under Subsection (c); and

(2) is not required to own land in or reside in the district for which the director is appointed.

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, an election shall be held to elect five directors in each district for which directors were appointed under Subsection (a)(2). Of the five directors elected in each district, the three directors receiving the greatest number of votes shall serve until the second regularly scheduled election of directors under Subsection (d), and the remaining two directors shall serve until the first regularly scheduled election of directors.

(d) Except as provided by Subsection (c), directors serve staggered four-year terms. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

Sec. 8128.106. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board in the plan for
division.

(c) Any other district obligation shall be divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

Sec. 8128.107. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or
(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

Sec. 8128.108. BOND ISSUANCE BY NEW DISTRICT. A new district may issue bonds payable wholly or partially from ad valorem taxes on the approval of a majority of the residents voting in an election called and held for that purpose.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

Sec. 8128.109. MAINTENANCE TAX APPROVAL FOR NEW DISTRICT. A new district may impose a maintenance tax on the approval of a majority of the residents voting in an election called and held for that purpose.

Added by Acts 2005, 79th Leg., Ch. 445 (S.B. 1823), Sec. 1, eff. September 1, 2005.

For contingent expiration of this chapter, see Sec. 8129.003.

CHAPTER 8129. CITY OF FORT WORTH MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8129.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the City of Fort Worth Municipal Utility District No. 1 of Denton County.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff. September 1, 2005.

Sec. 8129.002. NATURE OF DISTRICT. The district is a municipal utility district in Denton County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff. September 1, 2005.

Sec. 8129.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8129.024 before September 1, 2009:
(1) the district is dissolved September 1, 2009, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Denton County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2012.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff. September 1, 2005.

Sec. 8129.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect:

1. the organization, existence, or validity of the district;
2. the right of the district to impose taxes;
3. the validity of the district's bonds, notes, or indebtedness; or
4. the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8129.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff. September 1, 2005.

Sec. 8129.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8129.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff. September 1, 2005.
Sec. 8129.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, gravelled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff. September 1, 2005.

Sec. 8129.103. COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Fort Worth.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff. September 1, 2005.

Sec. 8129.104. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for a pipeline that serves the district.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8129.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8129.201.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff. September 1, 2005.

SUBCHAPTER E. BONDS

Sec. 8129.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8129.101 and 8129.102.

(b) The district may not issue bonds to finance projects authorized by Section 8129.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8129.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8129.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 1330 (H.B. 3535), Sec. 1, eff. September 1, 2005.

CHAPTER 8130. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 51

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8130.001. DEFINITION. In this chapter, "district" means the Galveston County Municipal Utility District No. 51.

Added by Acts 2005, 79th Leg., Ch. 456 (S.B. 1864), Sec. 1, eff. September 1, 2005.
Sec. 8130.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 456 (S.B. 1864), Sec. 1, eff. September 1, 2005.

Sec. 8130.003. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, the following laws apply to the district:

(1) Chapters 49 and 54, Water Code, including Subchapter J, Chapter 54, Water Code, notwithstanding the limitation on authorization based on acreage under Section 54.801 of that code; and

(2) Section 52(b)(3), Article III, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 456 (S.B. 1864), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8130.051. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 456 (S.B. 1864), Sec. 1, eff. September 1, 2005.

Sec. 8130.052. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water
Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Kemah, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 456 (S.B. 1864), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8130.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8130.151.

Added by Acts 2005, 79th Leg., Ch. 456 (S.B. 1864), Sec. 1, eff. September 1, 2005.

SUBCHAPTER D. BONDS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 2590, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8130.151. AUTHORITY TO ISSUE BONDS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Section 8130.051.

(b) The district may not issue bonds or other obligations secured in whole or in part by ad valorem taxation to finance projects authorized by Section 8130.051 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district or of the defined area to be benefited by the project as provided by Subchapter J, Chapter 54, Water Code, voting at an election called for that purpose. The simple majority vote approval required by Section 54.808(a), Water Code, does not apply to an election under this subsection.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8130.051 may not exceed one-fourth of the assessed value of the real property in the district or the defined area, as applicable.
(d) Sections 49.181, 49.182, and 50.107, Water Code, do not apply to a project undertaken by the district under Section 8130.051 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 456 (S.B. 1864), Sec. 1, eff. September 1, 2005.

For contingent expiration of this chapter, see Sec. 8131.003.

CHAPTER 8131. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 53

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8131.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Galveston County Municipal Utility District No. 53.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

Sec. 8131.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

Sec. 8131.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8131.023 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Galveston County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are...
transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

Sec. 8131.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

Sec. 8131.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8131.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms that expire June 1 of even-numbered years.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.
Sec. 8131.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8131.101. GENERAL POWERS. The district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

Sec. 8131.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

Sec. 8131.103. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for a pipeline that
serves the district.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

Sec. 8131.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Texas City, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8131.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8131.201.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

Sec. 8131.152. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff.
SUBCHAPTER E. BONDS

Sec. 8131.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8131.101 and 8131.102.

(b) The district may not issue bonds to finance projects authorized by Section 8131.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8131.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by a district under Section 8131.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 457 (S.B. 1865), Sec. 1, eff. September 1, 2005.

For contingent expiration of this chapter, see Sec. 8132.003.

CHAPTER 8132. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8132.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Williamson County Municipal Utility District No. 21.

Added by Acts 2005, 79th Leg., Ch. 1333 (H.B. 3549), Sec. 1, eff. September 1, 2005.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4699, 86th Legislature, Regular Session, for amendments affecting the following section.
Sec. 8132.002. NATURE OF DISTRICT. The district is a municipal utility district in Williamson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1333 (H.B. 3549), Sec. 1, eff. September 1, 2005.

Sec. 8132.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8132.023 before September 1, 2017:

(1) the district is dissolved September 1, 2017, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Williamson County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2020.

Added by Acts 2005, 79th Leg., Ch. 1333 (H.B. 3549), Sec. 1, eff. September 1, 2005.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1075 (H.B. 4748), Sec. 1, eff. June 19, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 721 (H.B. 3932), Sec. 1, eff. June 14, 2013.

Sec. 8132.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 1333 (H.B. 3549), Sec. 1, eff. September 1, 2005.

Sec. 8132.005. APPLICABILITY OF OTHER WATER DISTRICTS LAW. Except as otherwise provided by this chapter, Chapters 30, 49, and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 1333 (H.B. 3549), Sec. 1, eff. September 1, 2005.

For contingent expiration of this subchapter, see Sec. 8132.025

SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 8132.021. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Tommy Cain;
(2) David Crist;
(3) Jeff Henley;
(4) Stanton Meeks; and
(5) Stephen Stilp.

(b) A temporary director is not required to own land in or reside in the district.

(c) If a temporary director fails to qualify for office, the temporary directors who have qualified shall appoint a person to fill the vacancy. If at any time there are fewer than three qualified temporary directors, the Texas Commission on Environmental Quality shall appoint the necessary number of persons to fill all vacancies on the board.

(d) Temporary directors serve until the earlier of:
(1) the date initial directors are elected under Section 8132.023; or
(2) September 1, 2009.

(e) If initial directors have not been elected under Section 8132.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as

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provided by Subsection (f) to serve terms that expire on the earlier of:

1. the date initial directors are elected under Section 8132.023; or
2. the fourth anniversary of the date of the appointment or reappointment.

(f) If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2005, 79th Leg., Ch. 1333 (H.B. 3549), Sec. 1, eff. September 1, 2005.
Amended by:


Sec. 8132.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS.
As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, a majority of the temporary directors shall convene the organizational meeting of the district at a location in the district agreeable to a majority of the directors.

Added by Acts 2005, 79th Leg., Ch. 1333 (H.B. 3549), Sec. 1, eff. September 1, 2005.

Sec. 8132.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION.
(a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code. If the creation of the district is not confirmed at the initial election, the temporary directors may hold a second election not sooner than the first anniversary of the initial election.

(b) At the confirmation and initial directors' election the board may submit to the voters a proposition to authorize:
(1) an issuance of bonds;
(2) a maintenance tax; or
(3) a tax to fund payments required under a contract.
(c) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Added by Acts 2005, 79th Leg., Ch. 1333 (H.B. 3549), Sec. 1, eff. September 1, 2005.

Sec. 8132.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8132.023 shall draw lots to determine which two shall serve terms expiring June 1 following the first regularly scheduled election of directors under Section 8132.052 and which three shall serve until June 1 following the second regularly scheduled election of directors.

Added by Acts 2005, 79th Leg., Ch. 1333 (H.B. 3549), Sec. 1, eff. September 1, 2005.

Sec. 8132.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2020, unless the creation of the district is confirmed at a confirmation election held under Section 8132.023 before September 1, 2017.

Added by Acts 2005, 79th Leg., Ch. 1333 (H.B. 3549), Sec. 1, eff. September 1, 2005.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1075 (H.B. 4748), Sec. 3, eff. June 19, 2009.
Acts 2013, 83rd Leg., R.S., Ch. 721 (H.B. 3932), Sec. 2, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8132.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms that expire June 1 of even-numbered years.
Sec. 8132.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

SUBCHAPTER C. POWERS AND DUTIES

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4699, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8132.101. WASTEWATER TREATMENT FACILITY DESIGN APPROVAL. The district must obtain the approval of the Brazos River Authority for the design of any district wastewater treatment facility.

Sec. 8132.102. WASTEWATER SERVICE PROVIDERS. Only the Brazos River Authority or a provider approved by the Brazos River Authority may provide wastewater service in the district.

Sec. 8132.103. COMPLIANCE WITH SEWER SERVICE AGREEMENT. The district shall comply with the terms and conditions of the "Agreement"
Sec. 8132.151. AUTHORITY TO DIVIDE DISTRICT. The district may be divided into two districts in accordance with this subchapter after the creation of the district has been confirmed at an election under Section 8132.023 if:

(1) the district does not have any outstanding debt secured by district taxes or revenue;
(2) the district has not annexed land or been divided; and
(3) each new district created by the division contains at least 100 acres.

Sec. 8132.152. DIVISION PROCEDURES. (a) The board may consider a proposal to divide the district on its own motion or on receipt of a petition to that effect from a district landowner.

(b) The board may adopt a resolution to divide the district into two districts named Williamson County Municipal Utility District No. 21-A and Williamson County Municipal Utility District No. 21-B. The resolution must include:

(1) the names of and a metes and bounds description of the territory of the two new districts; and
(2) the terms and conditions of the division, including a plan that:

(A) ensures current obligations of the district are not impaired by providing for the payment or performance of any outstanding district obligations; and

(B) provides for the assumption of any district obligations under an agreement with or resolution adopted by a municipality having jurisdiction over the creation of the district.
consenting to the creation of the district, to the extent that the agreement or resolution:

(i) is applicable;
(ii) is not contrary to any other law or provision of this chapter; and
(iii) does not impose obligations that limit the district's powers and authority to issue bonds for any purpose authorized under this chapter.

(c) Not later than the 30th day after the date the board adopts a resolution dividing the district, the board shall provide a copy of the resolution and the names of the temporary directors of the new districts to:

(1) the Texas Commission on Environmental Quality;
(2) the attorney general;
(3) the Commissioners Court of Williamson County; and
(4) any municipality having extraterritorial jurisdiction over land in the original district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1075 (H.B. 4748), Sec. 4, eff. June 19, 2009.

Sec. 8132.153. GOVERNING NEW DISTRICTS. (a) The new districts are separate districts and shall be governed as separate districts.

(b) Until the 91st day after the date the board adopts a resolution dividing the district, the board shall continue to act on behalf of the district to wind up the affairs of the district.

(c) The district directors shall act as temporary directors of one of the new districts and shall appoint five individuals to serve as temporary directors of the other new district. A temporary director is not required to own land in either of the new districts. A temporary director shall qualify for and assume office not later than the 90th day after the date the board adopts a resolution dividing the district.

(d) Temporary directors of a new district serve until the new district elects initial permanent directors. The election of directors for each new district shall be held on the next uniform election date in May of an even-numbered year after the date the temporary directors take office that allows sufficient time to comply with the requirements of other law.
(e) The initial permanent directors elected at an election held under Subsection (d) serve staggered terms determined in the manner provided for directors of the original district under Section 8132.024.

Added by Acts 2009, 81st Leg., R.S., Ch. 1075 (H.B. 4748), Sec. 4, eff. June 19, 2009.

Sec. 8132.154. POWERS AND DUTIES OF NEW DISTRICTS. (a) Except as provided by Subsection (b), each new district created under this subchapter has the powers and duties of the original district under this chapter, including the powers and duties under general law applicable to municipal utility districts that relate to the imposition of a tax or the issuance of bonds.

(b) A new district does not have the power to divide into new districts.

(c) A new district shall pay its proportionate share of any obligations of the original district in accordance with the resolution dividing the district. The new districts may pay debts of the original district from district contributions or from the proceeds resulting from the imposition of a tax, assessments on the land in the district, or district revenue.

(d) A new district may contract with the other new district for the provision of water or wastewater or regarding any other matter the boards of directors of the districts consider appropriate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1075 (H.B. 4748), Sec. 4, eff. June 19, 2009.

For contingent expiration of this chapter, see Sec. 8133.003.

CHAPTER 8133. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 16

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8133.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Williamson County Municipal Utility District No. 16.

Added by Acts 2005, 79th Leg., Ch. 1332 (H.B. 3548), Sec. 1, eff.
Sec. 8133.002. NATURE OF DISTRICT. The district is a municipal utility district in Williamson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1332 (H.B. 3548), Sec. 1, eff. September 1, 2005.

Sec. 8133.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8133.023 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Williamson County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2005, 79th Leg., Ch. 1332 (H.B. 3548), Sec. 1, eff. September 1, 2005.

Sec. 8133.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.
Sec. 8133.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 30, 49, and 54, Water Code, apply to the district.

Sec. 8133.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
   (b) Directors serve staggered four-year terms that expire June 1 of even-numbered years.

Sec. 8133.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Sec. 8133.101. WASTEWATER TREATMENT FACILITY DESIGN APPROVAL. The district must obtain the approval of the Brazos River Authority for the design of any district wastewater treatment facility.

Sec. 8133.102. WASTEWATER SERVICE PROVIDERS. Only the Brazos River Authority or a provider approved by the Brazos River Authority
may provide wastewater service in the district.

Added by Acts 2005, 79th Leg., Ch. 1332 (H.B. 3548), Sec. 1, eff. September 1, 2005.

Sec. 8133.103. COMPLIANCE WITH SEWER SERVICE AGREEMENT. The district shall comply with the terms and conditions of the "Agreement Regarding Sewer Service Areas and Customers by and between Lower Colorado River Authority, Brazos River Authority, City of Georgetown, City of Liberty Hill and Chisholm Trail Special Utility District" dated February 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 1332 (H.B. 3548), Sec. 1, eff. September 1, 2005.

For contingent expiration of this chapter, see Sec. 8134.003.

CHAPTER 8134. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 19

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8134.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Williamson County Municipal Utility District No. 19.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

Sec. 8134.002. NATURE OF DISTRICT. The district is a municipal utility district in Williamson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

Sec. 8134.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held
under Section 8134.023 before September 1, 2009:
(1) the district is dissolved September 1, 2009, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Williamson County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2012.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

Sec. 8134.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

Sec. 8134.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 30, 49, and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8134.051. DIRECTORS; TERMS. (a) The district is governed
by a board of five directors.

(b) Directors serve staggered four-year terms that expire June 1 of even-numbered years.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

Sec. 8134.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8134.101. DIVISION OF DISTRICT; PREREQUISITES. (a) At any time before the district issues indebtedness secured by taxes or net revenues, the district, including any annexed territory, may be divided into an original district and one or more new districts. The board shall determine which portion of the divided area constitutes the original district.

(b) A district created by division of the original district under Subsection (a) may further subdivide as determined by the board of that district.

(c) After a division under Subsection (a) or (b), the original district and any new district created must be at least 100 acres.

(d) The board by resolution may declare an intent to divide the district. The resolution must:

(1) set the terms of the division, including a plan for the payment or performance of any outstanding district obligations; and

(2) contain a metes and bounds description for each district, including the modified original district.

(e) Section 42.042, Local Government Code, and Section 54.016, Water Code, do not apply to the creation of a new district by division under this subchapter.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.
Sec. 8134.102. DISTRICT DIVISION BY ELECTION. (a) Except as provided by Section 8134.103, the board shall hold an election in the district to determine whether the district should be divided as proposed under Section 8134.101(d).

(b) The board shall give notice of the election not later than the 20th day before the date of the election. The notice must state:
   (1) the date and location of the election; and
   (2) the proposition to be voted on.

(c) If a majority of the votes cast are in favor of the division, the district is divided.

(d) If less than a majority of the votes cast are in favor of the division, the district may not be divided.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

Sec. 8134.103. DISTRICT DIVISION BY CONSENT. (a) The board may approve and order the division of the district without an election if the board has received written consent to the proposed division from all title holders of the land in the proposed new district or districts as indicated by the tax rolls of the central appraisal district.

(b) If the board orders the division without an election, the district is divided as of the date of the order.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

Sec. 8134.104. NOTICE OF DIVISION. Not later than the 30th day after the date of a division under this subchapter, the district shall provide written notice of the plan for division to:
   (1) the Texas Commission on Environmental Quality;
   (2) the attorney general;
   (3) the commissioners court of each county in which a new district is located; and
   (4) any municipality having extraterritorial jurisdiction over territory in a new district.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff.
Sec. 8134.105. DISTRICT NAMES FOLLOWING DIVISION. The area designated by the board as the original district retains the name of the original district. The resulting new districts are assigned consecutive letters to be appended to the name of the original district.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

Sec. 8134.106. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) After a division under this subchapter, the board shall continue to act as the board of the original district.

(b) Not later than the 90th day after the date of the division, the board shall appoint five directors for each of the new districts. A person appointed under this subsection is not required to own land in or reside in the district for which the person is appointed.

(c) Directors of the original district serve the staggered terms to which they were elected before the division. Directors appointed under Subsection (b) serve until June 1 following the election for directors under Subsection (d).

(d) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, an election shall be held to elect five directors in each district for which directors were appointed under Subsection (b). Of the five directors elected in each district, the three directors receiving the greatest number of votes shall serve terms expiring June 1 following the second regularly scheduled election of directors under Subsection (e), and the remaining two directors shall serve terms expiring June 1 following the first regularly scheduled election of directors.

(e) Except as provided by Subsection (d), directors serve staggered four-year terms. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.
Sec. 8134.107. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board in the plan for division.

(c) Any other district obligation shall be divided pro rata among the new districts and the original district on an acreage basis or on other terms that are satisfactory to the new districts.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

Sec. 8134.108. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or
(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

Sec. 8134.109. ANNEXATION BY MUNICIPALITY. A municipality may annex the original district, or a new district that is created as a result of a division of the district under Section 8134.102 or 8134.103, only after:

(1) the district has installed at least 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to:

(A) provide service to the proposed development within the district;
(B) accomplish the purposes for which the district was created; and
(C) exercise the powers provided by general law and this chapter; or
(2) at least 20 years have elapsed since the creation of the district was confirmed at an election held under Section 8134.023.

Added by Acts 2005, 79th Leg., Ch. 1328 (H.B. 3524), Sec. 1, eff. September 1, 2005.

For contingent expiration of this chapter, see Sec. 8135.003.

CHAPTER 8135. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 22

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8135.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Williamson County Municipal Utility District No. 22.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.002. NATURE OF DISTRICT. The district is a municipal utility district in Williamson County created under and essential to accomplish the purposes of Sections 52 and 52-a, Article III, Texas Constitution, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8135.022 before September 1, 2007:
(1) the district is dissolved September 1, 2007, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Williamson County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
Sec. 8135.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes; or

(3) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8135.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8135.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 30, 49, and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.103. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for a pipeline that serves the district.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.
Sec. 8135.104. COMPLIANCE WITH MUNICIPAL ORDINANCES. The district is subject to the requirements of municipal ordinances of the City of Hutto that apply to areas within the extraterritorial jurisdiction of the City of Hutto, unless the municipality's governing body waives compliance.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8135.151. DIVISION OF DISTRICT; REQUIREMENTS. (a) Subject to the approval of the City of Hutto, at any time before the district issues indebtedness secured by taxes or net revenues, the district, including any annexed territory, may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) The board by resolution may declare an intent to divide the district. The resolution must:

1. set the terms of the division, including a plan for the payment or performance of any outstanding district obligations; and
2. contain a metes and bounds description for each new district.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.152. DISTRICT DIVISION BY ELECTION. (a) The board shall hold an election in the district to determine whether the district should be divided as proposed under Section 8135.151.

(b) The board shall give notice of the election not later than the 20th day before the date of the election. The notice must state:

1. the date and location of the election; and
2. the proposition to be voted on.

(c) If a majority of the votes are cast in favor of the division, the district is divided.

(d) If less than a majority of the votes are cast in favor of
the division, the district may not be divided.

(e) The resulting new districts are separate districts and shall be governed as separate districts.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.153. NOTICE OF DIVISION. Not later than the 30th day after the date of a division under this subchapter, the district shall provide written notice of the plan for division to:

(1) the Texas Commission on Environmental Quality;
(2) the attorney general;
(3) the commissioners court of each county in which a new district is located; and
(4) each municipality having extraterritorial jurisdiction over territory in a new district.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.154. DISTRICT NAMES FOLLOWING DIVISION. The resulting new districts are assigned consecutive letters to be appended to the name of the original district.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.155. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:

(1) appoint itself as the board of one of the new districts; and
(2) appoint five directors for each of the other new districts.

(b) A director appointed under Subsection (a)(1) serves the term to which that director was elected in the original district. A director appointed under Subsection (a)(2):

(1) serves until the election for directors under
Subsection (c); and

(2) is not required to own land in or reside in the district for which the director is appointed.

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, an election shall be held to elect five directors in each district for which directors were appointed under Subsection (a)(2). Of the five directors elected in each district, the three directors receiving the greatest number of votes shall serve until the second regularly scheduled election of directors under Subsection (d), and the remaining two directors shall serve until the first regularly scheduled election of directors.

(d) Except as provided by Subsection (c), directors serve staggered four-year terms. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.156. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board in the plan for division.

(c) Any other district obligation shall be divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.157. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:
(1) water and wastewater services; or
(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.158. BOND ISSUANCE BY NEW DISTRICT. A new district may issue bonds payable wholly or partially from ad valorem taxes on the approval of a majority of the residents voting in an election called and held for that purpose.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

Sec. 8135.159. MAINTENANCE TAX APPROVAL FOR NEW DISTRICT. A new district may impose a maintenance tax on the approval of a majority of the residents voting in an election called and held for that purpose.

Added by Acts 2005, 79th Leg., Ch. 464 (S.B. 1887), Sec. 1, eff. September 1, 2005.

For contingent expiration of this chapter, see Sec. 8136.003.

CHAPTER 8136. ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICTS NOS. 6, 7, 8, and 9

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8136.001. DEFINITIONS. In this chapter:
(1) "Board" or "boards" means, as appropriate, the board of directors of one or all of the districts.
(2) "Director" means a member of the board.
(3) "District" or "districts" means, as appropriate, one or all of the Rockwall County Municipal Utility Districts Nos. 6, 7, 8, and 9.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.
Sec. 8136.002. NATURE OF DISTRICT. Each district is a municipal utility district in Rockwall County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.

Sec. 8136.003. CONFIRMATION ELECTION REQUIRED. If the creation of a district is not confirmed at a confirmation election held under Section 8136.023 before September 1, 2007:

(1) the district is dissolved September 1, 2007, except that:

   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Rockwall County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) the provisions of this chapter relating to that district expire September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.

Sec. 8136.004. INITIAL DISTRICT TERRITORY. (a) Each district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes of each district, as described in Section 2 of the Act creating this chapter, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

   (1) the organization, existence, or validity of the district;
   (2) the right of the district to impose taxes; or
   (3) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.
Sec. 8136.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the districts.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8136.051. DIRECTORS; TERMS. (a) Each district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.

Sec. 8136.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors of each district shall be elected.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8136.101. GENERAL POWERS. Each district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.

Sec. 8136.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, each district may construct, maintain, or operate paved roads or works, facilities, or
improvements in aid of those roads, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.

Sec. 8136.103. ADDING LAND BY PETITION OF LANDOWNER. Each district may only add land to the district in the manner provided by Section 49.301, Water Code, if a landowner petitions for the addition of land that is:

(1) adjacent to the boundaries of the district; or

(2) separated from the district by public land or right-of-way.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.

Sec. 8136.104. EMINENT DOMAIN. (a) Each district may exercise the power of eminent domain within the boundaries of the district for all public purposes.

(b) Each district may exercise the power of eminent domain outside the boundaries of the district only for the purpose of constructing, acquiring, operating, repairing, or maintaining water supply lines or sanitary sewer lines.

(c) Each district shall exercise the power of eminent domain in
the same manner as required for a county.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8136.151. TAX TO REPAY BONDS. Each district may impose a tax to pay the principal of or interest on bonds issued to finance projects under Section 8136.102.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER E. BONDS**

Sec. 8136.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) Each district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8136.101 and 8136.102.

(b) A district may not issue bonds to finance projects authorized by Section 8136.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8136.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by a district under Section 8136.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 455 (S.B. 1855), Sec. 1, eff. June 17, 2005.

**CHAPTER 8137. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 60**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8137.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "City" means the City of Texas City, Texas.
(3) "Director" means a member of the board.
(4) "District" means the Galveston County Municipal Utility District No. 60.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.

Sec. 8137.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.

Sec. 8137.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.

Sec. 8137.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish:
1. the same purposes as a municipal utility district as provided by Section 54.012, Water Code;
2. the same purposes as a navigation district created under Section 59, Article XVI, Texas Constitution, and operating under Chapters 60 and 62, Water Code; and
3. to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside
Sec. 8137.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8137.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8137.053, directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.

Sec. 8137.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.
SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8137.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.

Sec. 8137.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.

Sec. 8137.103. NAVIGATION POWERS. The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district authorized by Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.

Sec. 8137.104. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.
Sec. 8137.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council that consents to the creation of the district or to the inclusion of lands within the district.

Sec. 8137.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for underground water, sewage, or drainage facilities that serve the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8137.151. ELECTIONS REGARDING TAXES OR BONDS. (a) Except as provided by Section 8137.201(c), the district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any lawful source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose a maintenance tax or issue bonds payable from ad valorem taxes.

Sec. 8137.152. AD VALOREM TAX. (a) If authorized at an election held under Section 8137.151, the district may impose an
annual ad valorem tax on taxable property in the district for the provision of services or for the maintenance and operation of the district, including the construction, acquisition, maintenance, and operation of improvements.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8137.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) The district may not issue bonds to finance projects authorized by Section 8137.104 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8137.104 may not exceed one-fourth of the assessed value of the real property in the district.

(e) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8137.104 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.

Sec. 8137.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad
valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
(A) pay the interest on the bonds or other obligations as the interest becomes due;
(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
(C) pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 432 (S.B. 1800), Sec. 1, eff. June 17, 2005.

For contingent expiration of this chapter, see Sec. 8138.003.

CHAPTER 8138. LAS LOMAS MUNICIPAL UTILITY DISTRICT NO. 4 OF KAUFMAN COUNTY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8138.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means Las Lomas Municipal Utility District No. 4 of Kaufman County.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

Sec. 8138.002. NATURE OF DISTRICT. The district is a municipal utility district in Kaufman County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

Sec. 8138.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8138.023 before September 1, 2007:
(1) the district is dissolved September 1, 2007, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Kaufman County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

Sec. 8138.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2.02 of the Act creating this chapter.
   (b) The boundaries and field notes contained in Section 2.02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
      (1) the organization, existence, or validity of the district;
      (2) the right of the district to impose taxes; or
      (3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8138.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
   (b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

Sec. 8138.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of
directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8138.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

Sec. 8138.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads.

(b) A project authorized by this section must meet or exceed the construction standards adopted by the North Central Texas Council of Governments, or its successor agency.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

(d) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for a road project authorized by this section.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 577 (S.B. 2412), Sec. 1, eff. September 1, 2009.
Sec. 8138.103. CERTIFICATE OF CONVENIENCE AND NECESSITY. (a) The district may pay out of bond proceeds or other available district money all expenses, including legal, engineering, and other fees, related to obtaining a new certificate of convenience and necessity under Chapter 13, Water Code, authorizing the district to provide retail water or sewer service inside or outside the district.

(b) The district may pay out of bond proceeds or other available district money all expenses, including the purchase price, related to acquiring certificate of convenience and necessity rights from another retail public utility to allow the district to provide retail water or sewer service in the district.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

Sec. 8138.104. CONTRACT WITH POLITICAL SUBDIVISION FOR WATER OR SEWER SERVICES. (a) The district may enter into a contract to allow a political subdivision to provide retail water or sewer service in the district. The contract may contain terms the board considers desirable, fair, and advantageous to the district.

(b) The contract may provide that the district will construct or acquire and convey to the political subdivision a water supply or treatment system, a water distribution system, or a sanitary sewage collection or treatment system as necessary to provide water or sewer service in the district.

(c) The district may use bond proceeds or other available district money to pay for its obligations and for services and facilities provided under the contract.

(d) If the contract requires the district to make payments from taxes other than operation and maintenance taxes, the contract is subject to Section 49.108, Water Code.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

Sec. 8138.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for a pipeline that serves the district.
Sec. 8138.151. OPERATION AND MAINTENANCE TAX. (a) The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code. (b) Section 49.107(f), Water Code, does not apply to reimbursements for projects constructed or acquired under Section 8138.102.

Sec. 8138.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8138.201.

Sec. 8138.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

1. an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
2. a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
3. a telecommunications provider as defined by Section 51.002, Utilities Code;
4. a cable operator, as defined by 47 U.S.C. Section 522; or
5. a person who provides to the public advanced telecommunications services.
SUBCHAPTER E. BONDS

Sec. 8138.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance:

1. the construction, maintenance, or operation of projects under Section 8138.102;
2. the district's efforts to obtain a new certificate of convenience and necessity or to acquire certificate of convenience and necessity rights under Section 8138.103; or
3. the district's contractual obligations under Section 8138.104.

(b) The district may not issue bonds to finance projects authorized by Section 8138.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8138.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8138.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8138.251. DIVISION OF DISTRICT; REQUIREMENTS.

(a) At any time before the district issues indebtedness secured by taxes or net revenues, the district, including any annexed territory, may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) The board may consider a proposal to divide the district on:

1. a petition of a landowner in the district; or
2. a motion by the board.

(d) If the board decides to divide the district, the board
shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations; and

(2) prepare a metes and bounds description for each proposed district.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

Sec. 8138.252. ELECTION FOR DIVISION OF DISTRICT. (a) After the board has complied with Section 8138.251(d), the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:

(1) the date and location of the election; and

(2) the proposition to be voted on.

(c) If a majority of the votes are cast in favor of the division:

(1) the district shall be divided; and

(2) not later than the 30th day after the date of the election, the district shall provide written notice of the division to:

(A) the Texas Commission on Environmental Quality;

(B) the attorney general;

(C) the commissioners court of each county in which a new district is located; and

(D) any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes are not cast in favor of the division, the district may not be divided.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

Sec. 8138.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:
(1) appoint itself as the board of one of the new districts; and
(2) appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, an election shall be held to elect five directors in each district for which directors were appointed under Subsection (a)(2). The directors shall draw lots to determine which two shall serve two-year terms and which three shall serve four-year terms.

(d) Except as provided by Subsection (c), directors serve staggered four-year terms. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.
Sec. 8138.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:
(1) water and wastewater services; or
(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 2.01, eff. June 18, 2006.

For contingent expiration of this chapter, see Sec. 8139.003.

CHAPTER 8139. CITY OF FORT WORTH MUNICIPAL UTILITY DISTRICT NO. 2 OF TARRANT COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8139.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the City of Fort Worth Municipal Utility District No. 2 of Tarrant County.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June 18, 2005.

Sec. 8139.002. NATURE OF DISTRICT. The district is a municipal utility district in Tarrant County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June 18, 2005.

Sec. 8139.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8139.024 before September 1, 2007:
(1) the district is dissolved September 1, 2007, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Tarrant County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June 18, 2005.

Sec. 8139.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June 18, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8139.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June 18, 2005.

Sec. 8139.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June
18, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8139.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June 18, 2005.

Sec. 8139.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June 18, 2005.

Sec. 8139.103. COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water
Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Fort Worth.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June 18, 2005.

Sec. 8139.104. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for a pipeline that serves the district.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June 18, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8139.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8139.201.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June 18, 2005.

SUBCHAPTER E. BONDS

Sec. 8139.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8139.101 and 8139.102.

(b) The district may not issue bonds to finance projects authorized by Section 8139.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8139.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8139.102 or to bonds
issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 1329 (H.B. 3530), Sec. 1, eff. June 18, 2005.

For contingent expiration of this chapter, see Sec. 8140.003.

CHAPTER 8140. EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICTS NOS. 5, 6, AND 7

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8140.001. DEFINITIONS. In this chapter:

(1) "Board" or "boards" means, as appropriate, the board of directors of one or all of the districts.

(2) "Director" means a member of a board.

(3) "District" or "districts" means, as appropriate, one or all of the East Montgomery County Municipal Utility Districts Nos. 5, 6, and 7.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.

Sec. 8140.002. NATURE OF DISTRICT. Each district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.

Sec. 8140.003. CONFIRMATION ELECTION REQUIRED. If the creation of a district is not confirmed at a confirmation election held under Section 8140.023 before September 1, 2007:

(1) the district is dissolved September 1, 2007, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Montgomery County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are
transferred; and

(2) the provisions of this chapter relating to that district expire September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.

Sec. 8140.004. INITIAL DISTRICT TERRITORY. (a) Each district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes of each district, as described by Section 2 of the Act creating this chapter, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.

Sec. 8140.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the districts.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8140.051. DIRECTORS; TERMS. (a) Each district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.
Sec. 8140.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors of each district shall be elected.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8140.101. GENERAL POWERS. Each district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.

Sec. 8140.102. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.

Sec. 8140.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, each district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City
of Houston, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8140.151. TAX TO REPAY BONDS. Each district may impose a tax to pay the principal of or interest on bonds issued under Section 8140.201.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.

**SUBCHAPTER E. BONDS**

Sec. 8140.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) Each district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8140.101 and 8140.102.

(b) A district may not issue bonds to finance projects authorized by Section 8140.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8140.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by a district under Section 8140.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 775 (H.B. 3546), Sec. 1, eff. September 1, 2005.
Sec. 8141.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Dallas County Municipal Utility District No. 3.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.002. NATURE OF DISTRICT. The district is a municipal utility district in Dallas County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8141.024 before September 1, 2007:
(1) the district is dissolved September 1, 2007, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Dallas County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8141.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8141.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.102. ROAD PROJECTS. (a) The district may construct,
acquire, improve, maintain, or operate macadamized, gramed, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.103. ROAD CONTRACTS. The district may contract for a road project in the manner provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.104. WATER CONTROL AND STORAGE PROJECTS. (a) The district may construct, acquire, improve, or maintain dams, embankments, reservoirs, lakes, or other improvements as necessary to control, store, or preserve water in the district for any useful purpose.

(b) The district may overflow and inundate district lands and other district property in the district.

(c) A project authorized by this section is subject to all applicable permitting and regulatory requirements.
Sec. 8141.105. CERTIFICATE OF CONVENIENCE AND NECESSITY. (a) The district may pay out of bond proceeds or other available district money all expenses, including legal, engineering, and surveying fees, related to obtaining a new certificate of convenience and necessity under Chapter 13, Water Code, authorizing the district to provide retail water or sewer service inside or outside the district.

(b) The district may pay out of bond proceeds or other available district money all expenses, including the purchase price, related to acquiring certificate of convenience and necessity rights from another retail public utility to allow the district to provide retail water or sewer service in the district.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.106. CONTRACT WITH POLITICAL SUBDIVISION FOR WATER OR SEWER SERVICES. (a) The district may enter into a contract to allow a political subdivision to provide retail water or sewer service in the district. The contract may contain terms the board considers desirable, fair, and advantageous to the district.

(b) The contract may provide that the district will construct or acquire and convey to the political subdivision a water supply or treatment system, a water distribution system, or a sanitary sewage collection or treatment system, as necessary to provide water or sewer service in the district.

(c) The district may use bond proceeds or other available district money to pay for its obligations and for services and facilities provided under the contract.

(d) If the contract requires the district to make payments from taxes other than operation and maintenance taxes, the contract is subject to Section 49.108, Water Code.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.
Sec. 8141.151.  OPERATION AND MAINTENANCE TAX.  (a) The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.  
(b) Section 49.107(f), Water Code, does not apply to reimbursements for projects constructed or acquired under Section 8141.102.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.152.  TAX TO REPAY BONDS.  The district may impose a tax to pay the principal of and interest on bonds issued under Section 8141.201.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.153.  UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS.  The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code;
(4) a cable operator as defined by 47 U.S.C. Section 522; or
(5) a person who provides to the public advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. BONDS
Sec. 8141.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS;
TAX. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance:
(1) the construction, maintenance, or operation of projects under Sections 8141.102 and 8141.104; or
(2) the district's contractual obligations under Section 8141.106.
(b) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money or any combination of those sources.
(c) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8141.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.
(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8141.102 may not exceed one-fourth of the assessed value of the real property in the district.
(e) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8141.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS**

Sec. 8141.251. DIVISION OF DISTRICT; REQUIREMENTS. (a) At any time before the district issues indebtedness secured by taxes or net revenues, the district, including any annexed territory, may be divided into two or more new districts.
(b) A new district created by division of the district must be at least 100 acres.
(c) The board may consider a proposal to divide the district on:
(1) a petition of a landowner in the district; or
(2) a motion by the board.
(d) If the board decides to divide the district, the board shall:
(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any
outstanding district obligations; and
(2) prepare a metes and bounds description for each proposed district.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.252. ELECTION FOR DIVISION OF DISTRICT. (a) After the board has complied with Section 8141.251(d), the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:
(1) the date and location of the election; and
(2) the proposition to be voted on.

(c) If a majority of the votes cast are in favor of the division:
(1) the district shall be divided; and
(2) not later than the 30th day after the date of the election, the district shall provide written notice of the division to:
   (A) the Texas Commission on Environmental Quality;
   (B) the attorney general;
   (C) the commissioners court of each county in which a new district is located; and
   (D) any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes cast are not in favor of the division, the district may not be divided.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:
(1) appoint itself as the board of one of the new districts; and
(2) appoint five directors for each of the other new
(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, an election shall be held to elect five directors in each district for which directors were appointed under Subsection (a)(2). The directors shall draw lots to determine which two shall serve two-year terms and which three shall serve four-year terms.

(d) Except as provided by Subsection (c), directors serve staggered four-year terms. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.254. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 8141.251(d).

(c) Any other district obligation shall be divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

Sec. 8141.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or
(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2005, 79th Leg., Ch. 778 (H.B. 3574), Sec. 1, eff. June 17, 2005.

CHAPTER 8142. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 167

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8142.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "City" means the City of Rosenberg, Texas.
(3) "County" means Fort Bend County.
(4) "Director" means a member of the board.
(5) "District" means the Fort Bend County Municipal Utility District No. 167.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.002. NATURE OF DISTRICT. The district is a municipal utility district in Fort Bend County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit
from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish:

(1) the same purposes as a municipal utility district as provided by Section 54.012, Water Code; and

(2) the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, to the extent authorized by Section 52, Article III, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8142.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8142.053, directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.
Sec. 8142.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8142.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.103. ROAD PROJECTS. The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.104. MUNICIPAL OR COUNTY CONSENT AND STANDARDS. (a) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial
jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Rosenberg that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for underground water, sewage, or drainage facilities that serve the district.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8142.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations
secured by revenue or contract payments from any lawful source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose a maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.152. AD VALOREM TAX. (a) If authorized at an election held under Section 8142.151, the district may impose an annual ad valorem tax on taxable property in the district for the provision of services or for the maintenance and operation of the district, including the improvements constructed or acquired by the district.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8142.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) The district may not issue bonds to finance projects authorized by Section 8142.103 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8142.103 may not exceed one-fourth of
the assessed value of the real property in the district.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

1. the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

2. the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
   A. pay the interest on the bonds or other obligations as the interest becomes due;
   B. create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
   C. pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

Sec. 8142.203. CERTAIN AUTHORITY OF TEXAS COMMISSION ON ENVIRONMENTAL QUALITY NOT APPLICABLE. Sections 49.181 and 49.182, Water Code, do not apply to a road project undertaken by the district or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 901 (S.B. 1873), Sec. 1, eff. June 17, 2005.

CHAPTER 8143. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 61

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8143.001. DEFINITIONS. In this chapter:

1. "Board" means the board of directors of the district.
2. "City" means the City of Texas City, Texas.
3. "Director" means a member of the board.
(4) "District" means the Galveston County Municipal Utility District No. 61.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

Sec. 8143.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

Sec. 8143.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

Sec. 8143.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish:

(1) the same purposes as a municipal utility district as provided by Section 54.012, Water Code;

(2) the same purposes as a navigation district created under Section 59, Article XVI, Texas Constitution, and operating under Chapters 60 and 62, Water Code; and

(3) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.
Sec. 8143.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Sec. 8143.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8143.053, directors serve staggered four-year terms.

Sec. 8143.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

SUBCHAPTER C. GENERAL POWERS AND DUTIES
Sec. 8143.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

Sec. 8143.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

Sec. 8143.103. NAVIGATION POWERS. The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district authorized by Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

Sec. 8143.104. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.
Sec. 8143.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

Sec. 8143.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for underground water, sewage, or drainage facilities that serve the district.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8143.151. ELECTIONS REGARDING TAXES OR BONDS. (a) Except as provided by Section 8143.201(c), the district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any lawful source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose a maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

Sec. 8143.152. AD VALOREM TAX. (a) If authorized at an election held under Section 8143.151, the district may impose an
annual ad valorem tax on taxable property in the district for the provision of services or for the maintenance and operation of the district, including the construction, acquisition, maintenance, and operation of improvements.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8143.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) The district may not issue bonds to finance projects authorized by Section 8143.104 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8143.104 may not exceed one-fourth of the assessed value of the real property in the district.

(e) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8143.104 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

Sec. 8143.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad
valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
   (A) pay the interest on the bonds or other obligations as the interest becomes due;
   (B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
   (C) pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 433 (S.B. 1801), Sec. 1, eff. June 17, 2005.

**CHAPTER 8144. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 62**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8144.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "City" means the City of Texas City, Texas.
(3) "Director" means a member of the board.
(4) "District" means the Galveston County Municipal Utility District No. 62.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.

Sec. 8144.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.

Sec. 8144.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.
Sec. 8144.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish:

(1) the same purposes as a municipal utility district as provided by Section 54.012, Water Code;

(2) the same purposes as a navigation district created under Section 59, Article XVI, Texas Constitution, and operating under Chapters 60 and 62, Water Code; and

(3) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.

Sec. 8144.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8144.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Except as provided by Section 8144.053, directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.

Sec. 8144.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8144.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.

Sec. 8144.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.

Sec. 8144.103. NAVIGATION POWERS. The district may purchase, construct, acquire, own, operate, maintain, improve, or extend,
inside and outside the district, canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district authorized by Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.

Sec. 8144.104. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.

Sec. 8144.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.

Sec. 8144.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for underground water, sewage, or drainage facilities that serve the district.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8144.151. ELECTIONS REGARDING TAXES OR BONDS. (a) Except as provided by Section 8144.201(c), the district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any lawful source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose a maintenance tax or issue bonds payable from ad valorem taxes.

Sec. 8144.152. AD VALOREM TAX. (a) If authorized at an election held under Section 8144.151, the district may impose an annual ad valorem tax on taxable property in the district for the provision of services or for the maintenance and operation of the district, including the construction, acquisition, maintenance, and operation of improvements.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8144.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a
proportionate interest in payments to be made by the district, or other type of obligation.

(c) The district may not issue bonds to finance projects authorized by Section 8144.104 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8144.104 may not exceed one-fourth of the assessed value of the real property in the district.

(e) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8144.104 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.

Sec. 8144.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 434 (S.B. 1802), Sec. 1, eff. June 17, 2005.
"City" means the City of Texas City, Texas.
"Director" means a member of the board.
"District" means the Galveston County Municipal Utility District No. 63.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

Sec. 8145.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

Sec. 8145.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

Sec. 8145.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish:
(1) the same purposes as a municipal utility district as provided by Section 54.012, Water Code;
(2) the same purposes as a navigation district created under Section 59, Article XVI, Texas Constitution, and operating under Chapters 60 and 62, Water Code; and
(3) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside
the district.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

Sec. 8145.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8145.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8145.053, directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

Sec. 8145.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.
SUBCHAPTER C.  GENERAL POWERS AND DUTIES

Sec. 8145.101.  GENERAL POWERS AND DUTIES.  The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

Sec. 8145.102.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

Sec. 8145.103.  NAVIGATION POWERS.  The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district authorized by Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

Sec. 8145.104.  ROAD PROJECTS.  (a)  The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b)  A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c)  The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.
Sec. 8145.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

Sec. 8145.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for underground water, sewage, or drainage facilities that serve the district.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8145.151. ELECTIONS REGARDING TAXES OR BONDS. (a) Except as provided by Section 8145.201(c), the district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any lawful source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose a maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

Sec. 8145.152. AD VALOREM TAX. (a) If authorized at an election held under Section 8145.151, the district may impose an
annual ad valorem tax on taxable property in the district for the
provision of services or for the maintenance and operation of the
district, including the construction, acquisition, maintenance, and
operation of improvements.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8145.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) The district may not issue bonds to finance projects authorized by Section 8145.104 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8145.104 may not exceed one-fourth of the assessed value of the real property in the district.

(e) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8145.104 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

Sec. 8145.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad
valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
   (A) pay the interest on the bonds or other obligations as the interest becomes due;
   (B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
   (C) pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 435 (S.B. 1803), Sec. 1, eff. June 17, 2005.

CHAPTER 8146. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 64

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8146.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "City" means the City of Texas City, Texas.
(3) "Director" means a member of the board.
(4) "District" means the Galveston County Municipal Utility District No. 64.

Added by Acts 2005, 79th Leg., Ch. 436 (S.B. 1804), Sec. 1, eff. June 17, 2005.

Sec. 8146.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 436 (S.B. 1804), Sec. 1, eff. June 17, 2005.

Sec. 8146.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.
Sec. 8146.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish:

(1) the same purposes as a municipal utility district as provided by Section 54.012, Water Code;
(2) the same purposes as a navigation district created under Section 59, Article XVI, Texas Constitution, and operating under Chapters 60 and 62, Water Code; and
(3) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

Sec. 8146.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8146.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8146.053, directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 436 (S.B. 1804), Sec. 1, eff. June 17, 2005.

Sec. 8146.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 436 (S.B. 1804), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8146.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2005, 79th Leg., Ch. 436 (S.B. 1804), Sec. 1, eff. June 17, 2005.

Sec. 8146.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 436 (S.B. 1804), Sec. 1, eff. June 17, 2005.

Sec. 8146.103. NAVIGATION POWERS. The district may purchase, construct, acquire, own, operate, maintain, improve, or extend,
inside and outside the district, canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district authorized by Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 436 (S.B. 1804), Sec. 1, eff. June 17, 2005.

Sec. 8146.104. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 436 (S.B. 1804), Sec. 1, eff. June 17, 2005.

Sec. 8146.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 436 (S.B. 1804), Sec. 1, eff. June 17, 2005.

Sec. 8146.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for underground water, sewage, or drainage facilities that serve the district.
Sec. 8146.151. ELECTIONS REGARDING TAXES OR BONDS. (a) Except as provided by Section 8146.201(c), the district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any lawful source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose a maintenance tax or issue bonds payable from ad valorem taxes.

Sec. 8146.152. AD VALOREM TAX. (a) If authorized at an election held under Section 8146.151, the district may impose an annual ad valorem tax on taxable property in the district for the provision of services or for the maintenance and operation of the district, including the construction, acquisition, maintenance, and operation of improvements.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8146.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a
proportionate interest in payments to be made by the district, or other type of obligation.

(c) The district may not issue bonds to finance projects authorized by Section 8146.104 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8146.104 may not exceed one-fourth of the assessed value of the real property in the district.

(e) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8146.104 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 436 (S.B. 1804), Sec. 1, eff. June 17, 2005.

Sec. 8146.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 436 (S.B. 1804), Sec. 1, eff. June 17, 2005.

CHAPTER 8147. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 54
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8147.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "City" means the City of Texas City, Texas.
(3) "Director" means a member of the board.

(4) "District" means the Galveston County Municipal Utility District No. 54.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

Sec. 8147.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

Sec. 8147.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

Sec. 8147.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

   (b) The district is created to accomplish:

   (1) the same purposes as a municipal utility district as provided by Section 54.012, Water Code; and

   (2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.
Sec. 8147.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose or collect an assessment or tax; or
4. legality or operation.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8147.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8147.053, directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

Sec. 8147.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8147.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the
Sec. 8147.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

Sec. 8147.103. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

Sec. 8147.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.
Sec. 8147.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for underground water, sewage, or drainage facilities that serve the district.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8147.151. ELECTIONS REGARDING TAXES OR BONDS. (a) Except as provided by Section 8147.201(c), the district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any lawful source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose a maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

Sec. 8147.152. AD VALOREM TAX. (a) If authorized at an election held under Section 8147.151, the district may impose an annual ad valorem tax on taxable property in the district for the provision of services or for the maintenance and operation of the district, including the construction, acquisition, maintenance, and operation of improvements.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8147.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) The district may not issue bonds to finance projects authorized by Section 8147.103 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8147.103 may not exceed one-fourth of the assessed value of the real property in the district.

(e) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8147.103 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.

Sec. 8147.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 440 (S.B. 1808), Sec. 1, eff. June 17, 2005.
CHAPTER 8148. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 52

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8148.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Galveston County Municipal Utility District No. 52.

Added by Acts 2005, 79th Leg., Ch. 439 (S.B. 1807), Sec. 1, eff. June 17, 2005.

Sec. 8148.002. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the works and projects to be provided by the district under powers conferred by Section 59, Article XVI, Texas Constitution.

(b) The district exists to accomplish:
(1) the same purposes as a municipal utility district as provided by Section 54.012, Water Code;
(2) the same purposes as a navigation district created under Section 59, Article XVI, Texas Constitution, and operating under Chapters 60 and 62, Water Code; and
(3) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

Added by Acts 2005, 79th Leg., Ch. 439 (S.B. 1807), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8148.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8148.052. NAVIGATION POWERS. The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district authorized by Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 439 (S.B. 1807), Sec. 1, eff. June 17, 2005.

Sec. 8148.053. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 439 (S.B. 1807), Sec. 1, eff. June 17, 2005.

Sec. 8148.054. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Texas City that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 439 (S.B. 1807), Sec. 1, eff. June 17, 2005.
Sec. 8148.055. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for underground water, sewage, or drainage facilities that serve the district.

Added by Acts 2005, 79th Leg., Ch. 439 (S.B. 1807), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. BONDS

Sec. 8148.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Section 8148.053.

(b) The district may not issue bonds to finance projects authorized by Section 8148.053 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8148.053 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8148.053 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 439 (S.B. 1807), Sec. 1, eff. June 17, 2005.

CHAPTER 8149. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 406

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8149.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "City" means the City of Houston, Texas.
(3) "Director" means a member of the board.
(4) "District" means the Harris County Municipal Utility District No. 406.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.
Sec. 8149.002. NATURE OF DISTRICT. The district is a municipal utility district in Harris County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

Sec. 8149.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

Sec. 8149.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish:
   (1) the same purposes as a municipal utility district as provided by Section 54.012, Water Code; and
   (2) the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, to the extent authorized by Section 52, Article III, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

Sec. 8149.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8149.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

Sec. 8149.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

**SUBCHAPTER C. GENERAL POWERS AND DUTIES**

Sec. 8149.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

Sec. 8149.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

Sec. 8149.103. ROAD PROJECTS. The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

Sec. 8149.104. MUNICIPAL OR COUNTY CONSENT AND STANDARDS. (a) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

Sec. 8149.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of
any ordinance or resolution adopted by the city council of the City of Houston that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

Sec. 8149.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for underground water, sewage, or drainage facilities that serve the district.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8149.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

Sec. 8149.152. AD VALOREM TAX. (a) If authorized at an election held under Section 8149.151(b), the district may impose an annual ad valorem tax on taxable property in the district for the provision of services or for the maintenance and operation of the district, including the construction, acquisition, maintenance, and operation of improvements.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June
Sec. 8149.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  
(a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.  
(b) The district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.  
(c) The district may not issue bonds to finance projects authorized by Section 8149.103 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.  
(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8149.103 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2005, 79th Leg., Ch. 1170 (H.B. 3502), Sec. 1, eff. June 18, 2005.

Sec. 8149.202. TAXES FOR BONDS AND OTHER OBLIGATIONS.  At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:  
(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and  
(2) the district annually shall impose the continuing direct annual ad valorem tax on all taxable property in the district in an amount sufficient to:  
(A) pay the interest on the bonds or other obligations as the interest becomes due;  
(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and  
(C) pay the expenses of imposing the taxes.
Sec. 8149.203. CERTAIN AUTHORITY OF TEXAS COMMISSION ON ENVIRONMENTAL QUALITY NOT APPLICABLE. Sections 49.181 and 49.182 do not apply to a road project undertaken by the district or to bonds issued by the district to finance the project.

CHAPTER 8150. IMPERIAL REDEVELOPMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8150.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "City" means the City of Sugar Land, Texas.
(2-a) "County" means Fort Bend County, Texas.
(3) "Director" means a member of the board.
(4) "District" means the Imperial Redevelopment District.

Sec. 8150.002. NATURE OF DISTRICT. The district is a municipal utility district in Fort Bend County created under Section 59, Article XVI, Texas Constitution, and is essential to accomplish the purposes of Sections 52 and 52-a, Article III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

Statute text rendered on: 6/18/2019 - 5619 -
Sec. 8150.0025. DECLARATION OF INTENT. (a) By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing services to the area in the district. The district is created to supplement and not to supplant city and county services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 3, eff. June 17, 2011.

Sec. 8150.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(b) The district is created for the purposes of:
   (1) a municipal utility district as provided by Section 54.012, Water Code;
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements in aid of those roads, including drainage improvements; and
   (3) the purchase, construction, acquisition, ownership, improvement, maintenance, and operation of the public works and public improvements authorized for a tax increment reinvestment zone operating under Chapter 311, Tax Code, and a municipal management district operating under Chapter 375, Local Government Code.

(c) The district is created to serve a public use and benefit.
(d) The creation of the district is in the public interest and is essential to further the public purposes of:
   (1) developing and diversifying the economy of the state;
   (2) eliminating unemployment and underemployment; and
   (3) developing or expanding transportation and commerce.

(e) The district will:
   (1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
   (2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and
   (3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.
Amended by:
   Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 4, eff. June 17, 2011.

Sec. 8150.0035. FINDING ON SPORTS AND COMMUNITY VENUES. A sports and community venue facility is considered to be a park and recreational facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 5, eff. June 17, 2011.

Sec. 8150.004. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose or collect an assessment or tax; or
4. legality or operation.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.

Sec. 8150.005. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes set forth in this chapter.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.

Sec. 8150.006. CONFLICT OF LAW. If any provision of general law applicable to the district conflicts with Chapters 49 and 54, Water Code, Chapters 49 and 54, Water Code, prevail.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8150.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8150.053, directors serve staggered four-year terms.

(c) Section 49.052, Water Code, does not apply to the directors.
Sec. 8150.052. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint the appropriate number of directors to the board to serve staggered terms that expire September 1 of each even-numbered year.

Sec. 8150.053. VACANCIES. (a) The board shall notify the governing body of the city in writing when a vacancy occurs on the board.

(b) The governing body of the city shall appoint a person to fill the vacancy for the remainder of the unexpired term.

(c) If the governing body of the city does not fill a vacancy on the board before the 91st day after receipt of written notice of a vacancy, the remaining directors shall appoint a person to fill the vacancy, if a majority of the directors remain in office. If less than a majority of the directors remain in office, the vacancy shall be filled as provided by Section 49.105(c), Water Code.

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8150.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8150.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to
municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.

Sec. 8150.1025. MUNICIPAL MANAGEMENT DISTRICT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement, improvement project, or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement, improvement project, or service authorized under this chapter or Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 6, eff. June 17, 2011.

Sec. 8150.103. TAX INCREMENT REINVESTMENT ZONE. (a) All or any part of the area of the district is eligible to be included in a tax increment reinvestment zone created under Chapter 311, Tax Code.

(b) The district may enter into a contract with the board of directors of a reinvestment zone and the governing body of the city that provides for the district to manage or assist in managing the reinvestment zone or to implement or assist in implementing the reinvestment zone's project plan and reinvestment zone financing plan. The contract may require the district to issue bonds or other obligations and pledge the contract revenues to the payment of the bonds or other obligations.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.

Sec. 8150.104. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.
Sec. 8150.105. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 6, eff. June 17, 2011.

Sec. 8150.106. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:
(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 6, eff. June 17, 2011.

Sec. 8150.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 6, eff. June 17, 2011.
Sec. 8150.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 6, eff. June 17, 2011.

Sec. 8150.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 6, eff. June 17, 2011.

Sec. 8150.110. SPORTS AND COMMUNITY VENUE FACILITIES. (a) The district may acquire, sell, lease as lessor or lessee, convey,
construct, finance, develop, own, operate, maintain, acquire real property interests for, demolish, or reconstruct a sports and community venue facility.

(b) A sports and community venue facility authorized under this section includes:

(1) an arena, coliseum, stadium, or other type of area or facility that is used or is planned for use for one or more professional or amateur sports events, community events, other sports events, promotional events, and other civic or charitable events;

(2) a convention center facility or related improvement such as a convention center, civic center, civic center building, civic center hotel, auditorium, theater, opera house, music hall, exhibition hall, rehearsal hall, park, performing arts center, museum, aquarium, or plaza that is located in the vicinity of a convention center or facility owned by a municipality or a county; and

(3) a facility related to a sports and community venue facility, including a store, restaurant, on-site hotel, concession, or other on-site or off-site improvement that relates to and enhances the use, value, or appeal of a sports and community venue, including an area adjacent to the venue, and any other expenditure reasonably necessary to construct, improve, renovate, or expand a venue, including an expenditure for environmental remediation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 6, eff. June 17, 2011.

**SUBCHAPTER D. ADDITIONAL ROAD POWERS**

Sec. 8150.151. ROAD PROJECTS. (a) As authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate, inside and outside the district, roads and road improvements.

(b) The roads and road improvements authorized by Subsection (a) may include drainage, landscaping, pedestrian improvements, lights, signs, or signals that are incidental to the roads and their construction, maintenance, or operation.

(c) The roads and road improvements authorized by this section must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the city.
(d) On completion of a road or road improvement authorized by this section, the district, with the consent of the city, may convey the road or road improvement to the city if the conveyance is free of all indebtedness of the district. If the city becomes the owner of a road or road improvement, the city is responsible for all future maintenance and upkeep and the district has no further responsibility for the road or road improvement or its maintenance or upkeep, unless otherwise agreed to by the district and the city.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 7, eff. June 17, 2011.

Sec. 8150.152. JOINT ROAD PROJECTS. (a) A district may contract with a state agency, political subdivision, or corporation created under Chapter 431, Transportation Code, for a joint road project.

(b) The contract may:
   (1) provide for joint payment of project costs; and
   (2) require the state agency, political subdivision, or corporation to design, construct, or improve a project as provided by the contract.

(c) A contract may be a contract under Section 49.108, Water Code.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.

Sec. 8150.153. REIMBURSEMENT FOR ROAD PROJECT. (a) The district may:

   (1) reimburse a private person for money spent to construct a road or road improvement that is dedicated or otherwise transferred to public use; or
   (2) purchase a road or road improvement constructed by a private person.

(b) The amount paid for the reimbursement or for the purchase of a road or road improvement under Subsection (a) may:
(1) include all construction costs, including engineering, legal, financing, and other expenses incident to the construction; or
(2) be at a price not to exceed the replacement cost of the road or road improvement as determined by the board.
(c) The reimbursement or purchase of a road or road improvement may be paid for with proceeds from the sale of the district's bonds or from any other money available to the district.
(d) The district may enter into an agreement to use the proceeds of a subsequent bond sale to reimburse a private person under this section. The agreement may provide the terms and conditions under which the road or road improvement is to be dedicated or transferred for the benefit of the public.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.
Amended by:
  Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 8, eff. June 17, 2011.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8150.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue from any source other than ad valorem taxation; or
(2) contract payments described by Section 8150.203.
(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The board may include more than one purpose in a single proposition at an election.
(d) The district may issue bonds or other obligations to finance road projects under Section 52(b)(3), Article III, Texas Constitution, secured wholly or partly by ad valorem taxation, impose ad valorem taxes to pay the principal of and interest on the obligations, and provide a sinking fund for the redemption of the obligations only if the issuance is approved by a two-thirds majority of the voters of the district voting at an election held for that
purpose. The total amount of bonds issued under this subsection may not exceed one-fourth of the assessed market value of real property of the district as determined by the chief appraiser of the appraisal district that appraises property for the district.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.
Amended by:

- Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 9, eff. June 17, 2011.

Sec. 8150.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held for that purpose, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

1. operate and maintain the district;
2. construct or acquire improvements; and
3. provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.
Amended by:

- Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 10, eff. June 17, 2011.
- Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 11, eff. June 17, 2011.

Sec. 8150.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.
(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 12, eff. June 17, 2011.

Sec. 8150.204. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 12, eff. June 17, 2011.

Sec. 8150.205. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 12, eff. June 17, 2011.

Sec. 8150.206. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 12, eff. June 17, 2011.

Sec. 8150.207. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The
board by resolution may impose and collect an assessment under Subchapter F, Chapter 375, Local Government Code, for any purpose authorized by this chapter or Chapter 375, Local Government Code, in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 12, eff. June 17, 2011.

Sec. 8150.208. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 12, eff. June 17, 2011.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8150.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations payable wholly
or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 13, eff. June 17, 2011.

Sec. 8150.252. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 14, eff. June 17, 2011.

Sec. 8150.254. BONDS PAYABLE FROM REVENUE FROM CERTAIN CONTRACTS. The district may issue bonds payable wholly or partly from the revenue of a contract authorized by Section 8150.103(b) to pay for the implementation of the reinvestment zone's project plan or reinvestment zone financing plan.

Added by Acts 2005, 79th Leg., Ch. 1175 (H.B. 3554), Sec. 1, eff. June 18, 2005.
Sec. 8150.257. APPROVAL OF CERTAIN BONDS BY TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. Section 375.208, Local Government Code, applies to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1265 (S.B. 1880), Sec. 15, eff. June 17, 2011.

For contingent expiration of this chapter, see Sec. 8151.003.

CHAPTER 8151. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 67

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8151.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Galveston County Municipal Utility District No. 67.

Added by Acts 2005, 79th Leg., Ch. 461 (S.B. 1882), Sec. 1, eff. September 1, 2005.

Sec. 8151.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 461 (S.B. 1882), Sec. 1, eff. September 1, 2005.

Sec. 8151.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8151.023 before September 1, 2009:
(1) the district is dissolved September 1, 2009, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Galveston County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2011.

Added by Acts 2005, 79th Leg., Ch. 461 (S.B. 1882), Sec. 1, eff. September 1, 2005.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 1370 (H.B. 3980), Sec. 1, eff. June 15, 2007.

Sec. 8151.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 461 (S.B. 1882), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8151.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms that expire June 1 of even-numbered years.

Added by Acts 2005, 79th Leg., Ch. 461 (S.B. 1882), Sec. 1, eff. September 1, 2005.

Sec. 8151.052. ELECTION OF DIRECTORS. On the uniform election
date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 461 (S.B. 1882), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8151.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 461 (S.B. 1882), Sec. 1, eff. September 1, 2005.

Sec. 8151.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 461 (S.B. 1882), Sec. 1, eff. September 1, 2005.

Sec. 8151.103. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for a pipeline that serves the district.

Added by Acts 2005, 79th Leg., Ch. 461 (S.B. 1882), Sec. 1, eff.
Sec. 8151.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Texas City, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 461 (S.B. 1882), Sec. 1, eff. September 1, 2005.

Sec. 8151.105. DIVISION OF DISTRICT. The district may divide into two or more districts in the manner provided by Section 53.029, Water Code, if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing an ad valorem tax.

Added by Acts 2005, 79th Leg., Ch. 461 (S.B. 1882), Sec. 1, eff. September 1, 2005.

Sec. 8151.106. NAVIGATION DISTRICT POWERS. The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside or outside the district, a canal, waterway, bulkhead, dock, or other improvement necessary or convenient to accomplish the purposes of a navigation district under Chapters 60 and 62, Water Code, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1370 (H.B. 3980), Sec. 3, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8151.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8151.201.
Sec. 8151.152. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Sec. 8151.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, to finance any district purpose.

(b) The district may not issue bonds under Subsection (a) unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8151.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8151.102 or to bonds issued by the district to finance the project.

SUBCHAPTER E. BONDS

Sec. 8151.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, to finance any district purpose.

(b) The district may not issue bonds under Subsection (a) unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8151.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8151.102 or to bonds issued by the district to finance the project.
Acts 2007, 80th Leg., R.S., Ch. 1370 (H.B. 3980), Sec. 4, eff. June 15, 2007.

For contingent expiration of this chapter, see Sec. 8152.003.

CHAPTER 8152. ZAPATA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8152.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Zapata County Municipal Utility District No. 2.

Added by Acts 2005, 79th Leg., Ch. 777 (H.B. 3569), Sec. 1, eff. September 1, 2005.

Sec. 8152.002. NATURE OF DISTRICT. The district is a municipal utility district in Zapata County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 777 (H.B. 3569), Sec. 1, eff. September 1, 2005.

Sec. 8152.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8152.023 before September 1, 2007:
(1) the district is dissolved September 1, 2007, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Zapata County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 777 (H.B. 3569), Sec. 1, eff. September 1, 2005.
Sec. 8152.004. INITIAL DISTRICT TERRITORY. The initial territory of the district is coextensive with the service areas covered by Certificates of Convenience and Necessity Nos. 12877 and 20850, as identified on the Texas Commission on Environmental Quality official service area maps associated with those certificates.

Added by Acts 2005, 79th Leg., Ch. 777 (H.B. 3569), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8152.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 777 (H.B. 3569), Sec. 1, eff. September 1, 2005.

Sec. 8152.052. ELECTION OF DIRECTORS. On the uniform election date in November of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 777 (H.B. 3569), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8152.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 777 (H.B. 3569), Sec. 1, eff. September 1, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8152.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8152.201.

Added by Acts 2005, 79th Leg., Ch. 777 (H.B. 3569), Sec. 1, eff. September 1, 2005.

SUBCHAPTER E. BONDS

Sec. 8152.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Section 8152.101.

Added by Acts 2005, 79th Leg., Ch. 777 (H.B. 3569), Sec. 1, eff. September 1, 2005.

For contingent expiration of this chapter, see Sec. 8153.003.

CHAPTER 8153. BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8153.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Brazoria County Municipal Utility District No. 44.

Added by Acts 2005, 79th Leg., Ch. 460 (S.B. 1871), Sec. 1, eff. September 1, 2005.

Sec. 8153.002. NATURE OF DISTRICT. The district is a municipal utility district in Brazoria County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 460 (S.B. 1871), Sec. 1, eff. September 1, 2005.
Sec. 8153.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8153.024 before September 1, 2007:

(1) the district is dissolved September 1, 2007, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Brazoria County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 460 (S.B. 1871), Sec. 1, eff. September 1, 2005.

Sec. 8153.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 460 (S.B. 1871), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8153.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 460 (S.B. 1871), Sec. 1, eff. September 1, 2005.
Sec. 8153.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 460 (S.B. 1871), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8153.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 460 (S.B. 1871), Sec. 1, eff. September 1, 2005.

Sec. 8153.102. ROAD PROJECTS. (a) To the extent authorized under Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.
Sec. 8153.103. COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Bonney.

Added by Acts 2005, 79th Leg., Ch. 460 (S.B. 1871), Sec. 1, eff. September 1, 2005.

Sec. 8153.104. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for a pipeline that serves the district.

Added by Acts 2005, 79th Leg., Ch. 460 (S.B. 1871), Sec. 1, eff. September 1, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8153.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8153.201.

Added by Acts 2005, 79th Leg., Ch. 460 (S.B. 1871), Sec. 1, eff. September 1, 2005.

SUBCHAPTER E. BONDS

Sec. 8153.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8153.101 and 8153.102.

(b) The district may not issue bonds to finance projects authorized by Section 8153.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at
an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8153.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8153.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 460 (S.B. 1871), Sec. 1, eff. September 1, 2005.

CHAPTER 8154. BLUE RIDGE WEST MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8154.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Blue Ridge West Municipal Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8154.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in Fort Bend County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8154.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter
is for the benefit of the people of this state and for the improvement of their property and industries. The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8154.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 633, Acts of the 60th Legislature, Regular Session, 1967 (Article 8280-379, Vernon's Texas Civil Statutes), as that territory may have been modified under:

1. Subchapter H, Chapter 54, Water Code;
2. Subchapter J, Chapter 49, Water Code; or
3. other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

1. the district's organization, existence, and validity;
2. the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. the district's right to impose a tax; or
4. the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8154.051. COMPOSITION OF BOARD. The board consists of five directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8154.052. QUALIFICATIONS FOR OFFICE. (a) A person must
reside in this state to be elected or appointed as a director of the board.

(b) A director is not required to reside in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8154.053. DIRECTOR'S BOND. (a) Each director shall execute a bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The bond must be:
(1) approved by:
   (A) the board; and
   (B) the county judge or the commissioners court of the county in which the district is located;
(2) filed for record in the office of the county clerk of the county in which the district is located;
(3) filed for safekeeping in the district's depository; and
(4) recorded in a record kept for that purpose in the district office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8154.054. ABSENCE OF PRESIDENT OR SECRETARY FROM BOARD MEETING; DUTY OF SECRETARY. (a) If the board president is absent from a board meeting at which an order is adopted or other action is taken:

(1) the board vice president may sign the order or action;
or
(2) the board may authorize the president to sign the order or action.

(b) The board secretary shall sign the minutes of each board meeting.

(c) If the board secretary is absent from a board meeting, the board:

(1) shall name a secretary pro tem for the meeting who:
   (A) may exercise all powers and duties of the secretary for the meeting;
(B) shall sign the minutes of the meeting; and
(C) may attest all orders passed or other action taken at the meeting; or
(2) may authorize the secretary to attest all orders passed or other action taken at the meeting.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8154.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has all of the rights, powers, privileges, and duties provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.068, eff. September 1, 2009.

Sec. 8154.102. ADDITIONAL POWERS. (a) The district may:
   (1) purchase, construct, or otherwise acquire a waterworks system, sanitary sewer system, or storm sewer system and drainage facility, or any part of those systems or facilities;
   (2) make any necessary purchase, construction, improvement, extension, or addition to a system or facility described by Subdivision (1);
   (3) purchase or acquire, operate, and maintain any land, right-of-way, easement, site, equipment, building, plant, structure, or facility necessary to a system or facility described by Subdivision (1); and
   (4) sell water and other services.
   (b) The district may exercise any of the rights or powers granted by this chapter inside or outside the district's boundaries.
   (c) The district may exercise any of its rights or powers to provide water or sewerage services to an area inside or outside the district's boundaries.
Sec. 8154.103. HEARINGS FOR EXCLUSION OF TERRITORY. (a) The board is not required to call or hold a hearing on the exclusion of land or other property from the district.

(b) The board on its own motion may call and hold one or more hearings on the exclusion of land or other property from the district in the manner provided by general law.

Sec. 8154.104. EMINENT DOMAIN. The district may exercise the power of eminent domain only in a county in which the district is located.

Sec. 8154.105. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, or changing the grade of, or altering the construction of a facility described by Subsection (b) in providing a comparable replacement without enhancing the facility, after deducting from that cost the net salvage value derived from the old facility.

(b) If the district, in the exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter, makes necessary the relocation, raising, rerouting, changing the grade of, or altering the construction of a highway, a railroad, an electric transmission line, a pipeline, or a telegraph or telephone property or facility, the necessary relocation, raising, rerouting, changing the grade of, or alteration of construction shall be accomplished at the sole expense of the district.
Sec. 8154.106. NOTICE OF ELECTION. The board president or secretary may give notice of an election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8154.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8154.152. DEPOSITORY. (a) The board shall select one or more banks or trust companies in this state to act as a depository of bond proceeds or of revenue derived from the operation of district facilities.

(b) The depository shall, as determined by the board:

(1) furnish indemnity bonds;

(2) pledge securities; or

(3) meet any other requirement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8154.153. PROCEDURE FOR PAYMENT. An officer or employee of the district, as designated by a standing order entered in the board's minutes, may draw and sign a warrant to pay a current expense, salary, or account of the district if the account has been contracted and ordered paid by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Sec. 8154.154. PROJECTS AND PURCHASES EXEMPT FROM ASSESSMENT OR TAXATION. The district is not required to pay a tax or assessment on:

(1) a district project or any part of the project; or
(2) a district purchase.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 8154.201. AUTHORITY TO ISSUE BONDS. The district may vote and issue bonds of any kind, including refunding bonds, for contiguous or noncontiguous areas for any district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8154.202. EXCHANGING BONDS FOR PROPERTY OR WORK. The district may exchange bonds, including refunding bonds:

(1) for property acquired by purchase; or
(2) in payment of the contract price of work done or materials or services furnished for the use and benefit of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8154.203. BOND ELECTION. (a) On the failure of a bond election:

(1) a general law that provides for calling a hearing on the dissolution of the district after a district bond election fails does not apply to the district; and
(2) the board may call a subsequent bond election after the expiration of six months after the date of the election.

(b) The outcome of a bond election does not affect the district's existence, function, or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
Sec. 8154.204.  BONDS EXEMPT FROM TAXATION. A bond issued under this subchapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

CHAPTER 8155.  BOIS D'ARC MUNICIPAL UTILITY DISTRICT OF FANNIN COUNTY, TEXAS

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8155.001.  DEFINITION. In this chapter, "district" means the Bois D'Arc Municipal Utility District of Fannin County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8155.002.  NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8155.003.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects that are to be accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Sec. 8155.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 421, Acts of the 66th Legislature, Regular Session, 1979, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) the district's right to impose taxes; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8155.051. COMPOSITION OF BOARD. The district is governed by a board of seven directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8155.052. VACANCIES. The Commissioners Court of Fannin County shall appoint directors to fill all vacancies on the board when the number of qualified directors is fewer than four.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8155.053. DIRECTOR'S BOND. A director is not required to
post a public official's bond.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8155.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8155.102. WATER AND SEWER SYSTEMS. (a) To serve the inhabitants of the county in which the district is situated, the district may:

(1) acquire, and may improve or extend, any existing water or sewer system that serves all or part of the district territory; or

(2) construct a water or sewer system.

(b) A contract to acquire an existing water or sewer facility may be made on terms approved by the contracting parties.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8155.103. TAXES. The district may not impose a tax unless the tax has been approved by the voters at an election called for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**CHAPTER 8156. PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 11 OF EL PASO COUNTY**

**SUBCHAPTER A. GENERAL PROVISIONS**
Sec. 8156.001. DEFINITION. In this chapter, "district" means Paseo del Este Municipal Utility District No. 11 of El Paso County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.070, eff. September 1, 2009.

Sec. 8156.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in El Paso County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8156.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8156.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 700, Acts of the 74th Legislature, Regular Session, 1995, as that territory may have been modified under:

   (1) Subchapter H, Chapter 54, Water Code;
   (2) Subchapter J, Chapter 49, Water Code; or
   (3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its
governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8156.005. EFFECT OF CHAPTER ON CITY OF EL PASO. This chapter does not diminish or affect the City of El Paso's extraterritorial jurisdiction or its rights under the Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8156.051. COMPOSITION OF BOARD. The district is governed by a board of five directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8156.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8156.102. ANNEXATION OF DISTRICT TERRITORY BY POLITICAL SUBDIVISION. A political subdivision that annexes the district territory included in Section 3, Chapter 700, Acts of the 74th Legislature, Regular Session, 1995, as provided by Chapter 43, Local
Government Code, assumes the district's powers, functions, and duties and any outstanding bonded indebtedness of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8156.103. AUTHORITY OF EL PASO WATER UTILITIES PUBLIC SERVICE BOARD OVER DISTRICT FACILITIES. (a) In this section, "Public Service Board" means the El Paso Water Utilities Public Service Board.

(b) The plans and specifications for any facilities to be constructed or acquired by the district must be approved by the Public Service Board. The Public Service Board may not unreasonably withhold or delay the approval.

(c) The Public Service Board is entitled to inspect or act as the construction manager for district facilities to ensure that the facilities meet the applicable standards of the Public Service Board. The district shall pay the Public Service Board a reasonable fee for those services consistent with fees charged for similar services the Public Service Board provides on similar utility construction contracts.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

For contingent expiration of this chapter, see Sec. 8157.003.

CHAPTER 8157. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 465

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8157.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Harris County Municipal Utility District No. 465.

Added by Acts 2005, 79th Leg., Ch. 465 (S.B. 1888), Sec. 1, eff. September 1, 2005.
Sec. 8157.002. NATURE OF DISTRICT. The district is a municipal utility district in Harris County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 465 (S.B. 1888), Sec. 1, eff. September 1, 2005.

Sec. 8157.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8157.023 before September 1, 2007:

(1) the district is dissolved September 1, 2007, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Harris County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 465 (S.B. 1888), Sec. 1, eff. September 1, 2005.

Sec. 8157.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes; or

(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 465 (S.B. 1888), Sec. 1, eff. September 1, 2005.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8157.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 465 (S.B. 1888), Sec. 1, eff. September 1, 2005.

Sec. 8157.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 465 (S.B. 1888), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8157.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 465 (S.B. 1888), Sec. 1, eff. September 1, 2005.

Sec. 8157.102. ROAD PROJECTS. The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

Added by Acts 2005, 79th Leg., Ch. 465 (S.B. 1888), Sec. 1, eff. September 1, 2005.

Sec. 8157.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City
of Houston, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 465 (S.B. 1888), Sec. 1, eff. September 1, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8157.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8157.201.

Added by Acts 2005, 79th Leg., Ch. 465 (S.B. 1888), Sec. 1, eff. September 1, 2005.

SUBCHAPTER E. BONDS

Sec. 8157.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8157.101 and 8157.102.

(b) The district may not issue bonds to finance projects authorized by Section 8157.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8157.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8157.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 465 (S.B. 1888), Sec. 1, eff. September 1, 2005.
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8158.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Harris County Municipal Utility District No. 464.

Added by Acts 2005, 79th Leg., Ch. 466 (S.B. 1889), Sec. 1, eff. September 1, 2005.

Sec. 8158.002. NATURE OF DISTRICT. The district is a municipal utility district in Harris County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 466 (S.B. 1889), Sec. 1, eff. September 1, 2005.

Sec. 8158.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8158.023 before September 1, 2007:
(1) the district is dissolved September 1, 2007, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Harris County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 466 (S.B. 1889), Sec. 1, eff. September 1, 2005.

Sec. 8158.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process
does not affect:

(1) the organization, existence, or validity of the
district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 466 (S.B. 1889), Sec. 1, eff.
September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8158.051. DIRECTORS; TERMS. (a) The district is governed
by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 466 (S.B. 1889), Sec. 1, eff.
September 1, 2005.

Sec. 8158.052. ELECTION OF DIRECTORS. On the uniform election
date in May of each even-numbered year, the appropriate number of
directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 466 (S.B. 1889), Sec. 1, eff.
September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8158.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to
municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 466 (S.B. 1889), Sec. 1, eff.
September 1, 2005.

Sec. 8158.102. ROAD PROJECTS. The district may construct,
acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

Added by Acts 2005, 79th Leg., Ch. 466 (S.B. 1889), Sec. 1, eff. September 1, 2005.

Sec. 8158.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Houston, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2005, 79th Leg., Ch. 466 (S.B. 1889), Sec. 1, eff. September 1, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8158.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8158.201.

Added by Acts 2005, 79th Leg., Ch. 466 (S.B. 1889), Sec. 1, eff. September 1, 2005.

SUBCHAPTER E. BONDS

Sec. 8158.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8158.101 and 8158.102.

(b) The district may not issue bonds to finance projects authorized by Section 8158.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8158.102 may not exceed one-fourth of
the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8158.102 or to bonds issued by the district to finance the project.

Added by Acts 2005, 79th Leg., Ch. 466 (S.B. 1889), Sec. 1, eff. September 1, 2005.

CHAPTER 8159. NEW SWEDEN MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8159.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the New Sweden Municipal Utility District No. 1 as created by the Texas Commission on Environmental Quality by order dated July 20, 2006.

Added by Acts 2007, 80th Leg., R.S., Ch. 591 (S.B. 2042), Sec. 1, eff. June 16, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8159.101. GENERAL POWERS AND DUTIES. The district has:

(1) the powers and duties provided to a municipal utility district by general law, including Chapters 49 and 54, Water Code, and Chapters 42 and 43, Local Government Code; and
(2) all the powers and duties necessary or appropriate to accomplish the purposes for which the district was created by the Texas Commission on Environmental Quality.

Added by Acts 2007, 80th Leg., R.S., Ch. 591 (S.B. 2042), Sec. 1, eff. June 16, 2007.

Sec. 8159.102. ADDITIONAL POWERS RELATED TO ANNEXATION AND TAX ALLOCATION AGREEMENTS. (a) This section applies only to a municipality that:

(1) has extraterritorial jurisdiction over the entire area in which the district is located; and
(2) has made a strategic partnership agreement with the
(b) The district and the municipality may agree to provide for the:

(1) annexation, including limited purpose annexation, by the municipality of all or a part of the territory of the district; and

(2) allocation, following annexation of all or part of the district by the municipality, of taxes imposed on real property in the district between the district and the municipality.

(c) Notwithstanding the limitations otherwise imposed by Subchapter J, Chapter 54, Water Code, the district is granted the powers under that subchapter for the purpose of:

(1) defining a particular area to be taxed; and

(2) entering a tax allocation agreement as provided by this chapter.

(d) This chapter does not eliminate any right granted to a municipality under general law to annex all or part of the district. The powers granted to the district and a municipality under this chapter are cumulative of powers granted under other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 591 (S.B. 2042), Sec. 1, eff. June 16, 2007.

Sec. 8159.103. SPECIFIC PROVISIONS OF TAX ALLOCATION AGREEMENT. The tax allocation agreement made under Section 8159.102 may contain:

(1) a method by which the district continues to exist following annexation by the municipality of all or part of the district territory, if the district is initially located outside the corporate boundaries of the municipality;

(2) an allocation of the ad valorem tax revenues of the district and the municipality from property in the district as the district and the municipality may agree;

(3) an allocation of governmental services to be provided by the municipality or the district following the date of the inclusion of all or part of the district territory in the corporate boundaries of the municipality, which must be proportionate to the allocation of taxes to which the district and the municipality agreed under Subdivision (2);

(4) an agreement under which the district assesses and
collects ad valorem taxes on all taxable property:

(A) at a rate applying to the area of the district included in the municipality and designated as a defined area as provided by Subchapter J, Chapter 54, Water Code, calculated to pay for the improvements, facilities, or services that primarily benefit that area and do not generally benefit the district as a whole; and

(B) at a rate applying to the area of the district that is not included in the municipality and is designated as a separate defined area as provided by Subchapter J, Chapter 54, Water Code, calculated to pay for the improvements, facilities, or services that primarily benefit that area and do not generally benefit the district as a whole;

(5) a provision permitting district bonds in an area designated as a defined area as provided by Subchapter J, Chapter 54, Water Code, to be sold by negotiated contract, notwithstanding other law;

(6) a provision that the allocation agreement will end on the date that:

(A) all territory in the district is annexed by the municipality for full purposes; and

(B) the district is dissolved as otherwise provided by law; and

(7) any other terms considered appropriate by the municipality and the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 591 (S.B. 2042), Sec. 1, eff. June 16, 2007.

CHAPTER 8160. NEW SWEDEN MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8160.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the New Sweden Municipal Utility District No. 2 as created by the Texas Commission on Environmental Quality by order dated November 10, 2006.

Added by Acts 2007, 80th Leg., R.S., Ch. 592 (S.B. 2043), Sec. 1, eff. June 16, 2007.
Sec. 8160.101. GENERAL POWERS AND DUTIES. The district has:

(1) the powers and duties provided to a municipal utility district by general law, including Chapters 49 and 54, Water Code, and Chapters 42 and 43, Local Government Code; and

(2) all the powers and duties necessary or appropriate to accomplish the purposes for which the district was created by the Texas Commission on Environmental Quality.

Added by Acts 2007, 80th Leg., R.S., Ch. 592 (S.B. 2043), Sec. 1, eff. June 16, 2007.

Sec. 8160.102. ADDITIONAL POWERS RELATED TO ANNEXATION AND TAX ALLOCATION AGREEMENTS. (a) This section applies only to a municipality that:

(1) has extraterritorial jurisdiction over the entire area in which the district is located; and

(2) has made a strategic partnership agreement with the district.

(b) The district and the municipality may agree to provide for the:

(1) annexation, including limited purpose annexation, by the municipality of all or a part of the territory of the district; and

(2) allocation, following annexation of all or part of the district by the municipality, of taxes imposed on real property in the district between the district and the municipality.

(c) Notwithstanding the limitations otherwise imposed by Subchapter J, Chapter 54, Water Code, the district is granted the powers under that subchapter for the purpose of:

(1) defining a particular area to be taxed; and

(2) entering a tax allocation agreement as provided by this chapter.

(d) This chapter does not eliminate any right granted to a municipality under general law to annex all or part of the district. The powers granted to the district and a municipality under this chapter are cumulative of powers granted under other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 592 (S.B. 2043), Sec. 1, eff. June 16, 2007.
Sec. 8160.103. SPECIFIC PROVISIONS OF TAX ALLOCATION AGREEMENT.
The tax allocation agreement made under Section 8160.102 may contain:

(1) a method by which the district continues to exist following annexation by the municipality of all or part of the district territory, if the district is initially located outside the corporate boundaries of the municipality;

(2) an allocation of the ad valorem tax revenues of the district and the municipality from property in the district as the district and the municipality may agree;

(3) an allocation of governmental services to be provided by the municipality or the district following the date of the inclusion of the district territory in the corporate boundaries of the municipality, which must be proportionate to the allocation of taxes to which the district and the municipality agreed under Subdivision (2);

(4) an agreement under which the district assesses and collects ad valorem taxes on all taxable property:
   (A) at a rate applying to the area of the district included in the municipality and designated as a defined area as provided by Subchapter J, Chapter 54, Water Code, calculated to pay for the improvements, facilities, or services that primarily benefit that area and do not generally benefit the district as a whole; and
   (B) at a rate applying to the area of the district that is not included in the municipality and is designated as a separate defined area as provided by Subchapter J, Chapter 54, Water Code, calculated to pay for the improvements, facilities, or services that primarily benefit that area and do not generally benefit the district as a whole;

(5) a provision permitting district bonds in an area designated as a defined area as provided by Subchapter J, Chapter 54, Water Code, to be sold by negotiated contract, notwithstanding other law;

(6) a provision that the allocation agreement will end on the date that:
   (A) all territory in the district is annexed by the municipality for full purposes; and
   (B) the district is dissolved as otherwise provided by law; and
(7) any other terms considered appropriate by the municipality and the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 592 (S.B. 2043), Sec. 1, eff. June 16, 2007.

CHAPTER 8161. ENCANTO REAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8161.001. DEFINITION. In this chapter, "district" means the Encanto Real Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8161.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8161.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8161.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 700, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-584, Vernon's Texas Civil Statutes), as that territory may have been
modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8161.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8161.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8161.102. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b),
Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 11, eff. September 1, 2015.

For contingent expiration of this chapter, see Section 8162.004.

CHAPTER 8162. FAIRFIELDS MUNICIPAL UTILITY DISTRICT OF KAUFMAN COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8162.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Fairfields Municipal Utility District of Kaufman County.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

Sec. 8162.002. NATURE OF DISTRICT. The district is a municipal utility district in Kaufman County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

Sec. 8162.003. FINDING OF PUBLIC USE AND BENEFIT. The district is created to serve a public use and benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.
Sec. 8162.004. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8162.023 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Kaufman County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

Sec. 8162.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes; or

(3) the legality or operation of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8162.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8162.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

Sec. 8162.102. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or improvements in aid of those roads.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

Sec. 8162.103. ROAD CONTRACTS. The district may contract for a road project in the manner provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff.
Sec. 8162.151. OPERATION AND MAINTENANCE TAX. The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

Sec. 8162.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8162.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

Sec. 8162.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

1. an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
2. a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
3. a telecommunications provider as defined by Section 51.002, Utilities Code;
4. a cable operator as defined by 47 U.S.C. Section 522; or
5. a person who provides to the public advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

SUBCHAPTER E. BONDS
Sec. 8162.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Section 8162.102.

(b) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money.

(c) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8162.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8162.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

SUBCHAPTER F.  DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8162.251.  DIVISION OF DISTRICT; REQUIREMENTS.  (a) At any time before the district issues indebtedness secured by taxes or net revenue, the district may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board may consider a proposal to divide the district on:

(1) a petition of a landowner in the district; or
(2) a motion by the board.

(e) If the board decides to divide the district, the board shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations; and
(2) prepare a metes and bounds description for each proposed district.
Sec. 8162.252. ELECTION FOR DIVISION OF DISTRICT. (a) After the board has complied with Section 8162.251(e), the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:

(1) the date and location of the election; and

(2) the proposition to be voted on.

(c) If a majority of the votes cast are in favor of the division:

(1) the district is divided; and

(2) not later than the 30th day after the date of the election, the district shall provide written notice of the division to:

(A) the Texas Commission on Environmental Quality;

(B) the attorney general;

(C) the commissioners court of each county in which a new district is located; and

(D) any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes cast are not in favor of the division, the district may not be divided.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

Sec. 8162.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:

(1) appoint itself as the board of one of the new districts; and

(2) appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district.
Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, the appointed board shall hold an election to elect five directors in each district for which directors were appointed under Subsection (a)(2). The directors shall draw lots to determine which two shall serve until the next regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

Sec. 8162.254. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenue or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 8162.251(e).

(c) Any other district obligation is divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.

Sec. 8162.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or
(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2007, 80th Leg., R.S., Ch. 497 (S.B. 323), Sec. 1, eff. June 16, 2007.
CHAPTER 8163.  TRAVIS-CREEDMOOR MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8163.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Travis-Creedmoor Municipal Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 159 (S.B. 1660), Sec. 1, eff. May 21, 2007.

Sec. 8163.002.  NATURE OF DISTRICT.  The district is a municipal utility district in Travis County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 159 (S.B. 1660), Sec. 1, eff. May 21, 2007.

Sec. 8163.003.  CONFIRMATION ELECTION REQUIRED.  The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 159 (S.B. 1660), Sec. 1, eff. May 21, 2007.

Sec. 8163.004.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district.

(b) The district is created to accomplish:

(1) the purposes of a municipal utility district as provided by general law; and

(2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of arterials or main feeder roads or improvements in aid of those roads.
Sec. 8163.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Sec. 8163.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8163.053, directors serve staggered four-year terms.

Sec. 8163.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Sec. 8163.053. INITIAL DIRECTORS. (a) The initial board
consists of:

(1) David Donaldson;
(2) Mike Fowler;
(3) Jim Hemphill;
(4) Kurt Johnson; and
(5) Kerry Russell.

(b) Unless the initial board otherwise agrees, the initial directors shall draw lots to determine which two directors shall serve until the first regularly scheduled election of directors and which three directors shall serve until the second regularly scheduled election of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 159 (S.B. 1660), Sec. 1, eff. May 21, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8163.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 159 (S.B. 1660), Sec. 1, eff. May 21, 2007.

Sec. 8163.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 159 (S.B. 1660), Sec. 1, eff. May 21, 2007.

Sec. 8163.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate arterials or main feeder roads or improvements in aid of those roads.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory
ordinances of the municipality or county in whose jurisdiction the
district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 159 (S.B. 1660), Sec. 1, eff.
May 21, 2007.

Sec. 8163.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR
RESOLUTIONS. Subject to the limitations of Section 54.016, Water
Code, the district shall comply with all applicable requirements of
any ordinance or resolution adopted by the governing body of the
municipality that consents to the creation of the district or to the
inclusion of lands within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 159 (S.B. 1660), Sec. 1, eff.
May 21, 2007.

Sec. 8163.105. NO ALLOCATION AGREEMENT. Section 54.016(f),
Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 356 (H.B. 3814), Sec. 1, eff.
June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8163.151. ELECTIONS REGARDING TAXES OR BONDS. (a) Except
as provided by Section 8163.201(b), the district may issue, without
an election, bonds and other obligations secured by revenue or
contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided
by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may impose an operation and maintenance tax or issue
bonds payable from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 159 (S.B. 1660), Sec. 1, eff.
May 21, 2007.

Sec. 8163.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 8163.151, the district
may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 159 (S.B. 1660), Sec. 1, eff. May 21, 2007.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8163.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds to finance projects authorized by Section 8163.103 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8163.103 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 159 (S.B. 1660), Sec. 1, eff. May 21, 2007.

Sec. 8163.202. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.
Sec. 8163.203. BOND PROVISIONS. (a) Notwithstanding any other law, district bonds may be sold at a public or private sale according to terms and procedures the board determines.

(b) In connection with the issuance of bonds, the board may:
(1) prescribe the maximum principal amount of bonds to be issued and the rate of interest the bonds may bear in accordance with Section 1204.006, Government Code;
(2) recite the public purpose for which one or more series of bonds are issued;
(3) delegate to an officer or employee of the district the authority to effect the sale of one or more series of bonds; and
(4) determine the period, not to exceed one year after the date the district adopts the order or resolution delegating the authority under Subdivision (3), during which that authority must be exercised.

(c) In exercising the authority delegated by the board to an officer or employee, the officer or employee may establish the terms and details related to the issuance and sale of the bonds, including:
(1) the form and designation of the bonds;
(2) the principal amount of the bonds and the amount of the bonds to mature in each year;
(3) the dates, price, interest rates, interest payment dates, principal payment dates, and redemption features of the bonds; and
(4) any other details relating to the issuance and sale of the bonds as specified by the board in the proceedings authorizing the issuance of the bonds.

(d) A finding or determination made by an officer or employee acting under the authority delegated to the officer or employee has the same force and effect as a finding or determination made by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 356 (H.B. 3814), Sec. 2, eff. June 17, 2011.
CHAPTER 8164. COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8164.001. DEFINITION. In this chapter, "district" means the Collin County Municipal Utility District No. 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 1067 (H.B. 2442), Sec. 1, eff. June 15, 2007.

Sec. 8164.002. NATURE OF DISTRICT. (a) The district is a municipal utility district with road powers.
(b) The district is essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and will serve a public use and benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 1067 (H.B. 2442), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8164.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1067 (H.B. 2442), Sec. 1, eff. June 15, 2007.

Sec. 8164.052. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.
(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1067 (H.B. 2442), Sec. 1, eff. June 15, 2007.
Sec. 8164.053. ROAD CONTRACTS. The district may contract for a road project in the same manner as provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1067 (H.B. 2442), Sec. 1, eff. June 15, 2007.

Sec. 8164.054. CONTRACT WITH POLITICAL SUBDIVISION FOR WATER OR SEWER SERVICES. (a) The district may enter into a contract to allow a political subdivision to provide retail water or sewer service in the district. The contract may contain terms the board considers desirable, fair, and advantageous to the district.

(b) The contract may provide that the district will construct or acquire and convey to the political subdivision a water supply or treatment system, a water distribution system, or a sanitary sewage collection or treatment system, as necessary to provide water or sewer service in the district.

(c) The district may use bond proceeds or other available district money to pay for its obligations and for services and facilities provided under the contract.

(d) If the contract requires the district to make payments from taxes other than operation and maintenance taxes, the contract is subject to Section 49.108, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1067 (H.B. 2442), Sec. 1, eff. June 15, 2007.

Sec. 8164.055. DIVISION OF DISTRICT. (a) Subject to this section, the district may divide into two or more districts as provided by Sections 51.748, 51.749, 51.750, 51.751, 51.752, and 51.753, Water Code. For the purpose of applying those sections, the district shall be considered an original district and a reference to "this chapter" shall be considered a reference to Chapter 54, Water Code.

(b) On petition of any district landowner or on a motion by the district's board of directors, the board may consider a proposal to divide the district.
(c) No division of the district may occur that would result in
the creation of a new district that contains land outside of the
boundaries of the district as it existed on January 1, 2009.
(d) Section 54.016, Water Code, and Section 42.042, Local
Government Code, do not apply to any new district created by the
division of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1063 (H.B. 4712), Sec. 1,

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8164.101. OPERATION AND MAINTENANCE TAX. (a) The
district may impose a tax for any district operation and maintenance
purpose in the manner provided by Section 49.107, Water Code.
(b) Section 49.107(f), Water Code, does not apply to
reimbursements for projects constructed or acquired under Section
8164.052.

Added by Acts 2007, 80th Leg., R.S., Ch. 1067 (H.B. 2442), Sec. 1,

Sec. 8164.102. TAX TO REPAY BONDS. The district may impose a
tax to pay the principal of and interest on bonds issued under
Section 8164.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 1067 (H.B. 2442), Sec. 1,

Sec. 8164.103. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
ASSESSMENTS. The district may not impose an impact fee or assessment
on the property, including the equipment, rights-of-way, facilities,
or improvements, of:
(1) an electric utility or a power generation company as
defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001,
Utilities Code;
(3) a telecommunications provider as defined by Section
51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 1067 (H.B. 2442), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. BONDS

Sec. 8164.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) In addition to the general authority to issue bonds under Chapters 49 and 54, Water Code, the district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance:

(1) the construction, maintenance, or operation of projects under Section 8164.052; or

(2) the district's contractual obligations under Section 8164.054.

(b) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money or any combination of those sources.

(c) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8164.052 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8164.052 may not exceed one-fourth of the assessed value of the real property in the district.

(e) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8164.052 or to bonds issued by the district to finance the project.

Added by Acts 2007, 80th Leg., R.S., Ch. 1067 (H.B. 2442), Sec. 1, eff. June 15, 2007.

CHAPTER 8165. CHATEAU WOODS MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8165.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "City" means the city of Chateau Woods.
(3) "District" means the Chateau Woods Municipal Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8165.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8165.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8165.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 3, Chapter 744, Acts of the 73rd Legislature, Regular Session, 1993, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8165.051. COMPOSITION OF BOARD; TERMS. (a) The district is
governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

Sec. 8165.052. QUALIFICATIONS FOR OFFICE. To be eligible to
serve as director, a person must:
(1) be a registered voter; and
(2) reside in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

Sec. 8165.053. VACANCIES. A vacancy in the office of director
shall be filled by appointment of the board until the next election
for directors. If the position is not scheduled to be filled at the
election, the person elected to fill the position shall serve only
for the remainder of the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8165.101. MUNICIPAL UTILITY DISTRICT POWERS. The district
has the rights, powers, privileges, functions, and duties provided by
general law applicable to a municipal utility district created under
Section 59, Article XVI, Texas Constitution, including those
conferred by Chapters 49, 50, and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

CHAPTER 8166. CIBOLO CREEK MUNICIPAL AUTHORITY
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8166.001. DEFINITION. In this chapter, "district" means
the Cibolo Creek Municipal Authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8166.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Bexar, Comal, and Guadalupe Counties created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8166.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8166.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 347, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-487, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of
and interest on the bond;

(3) the district's right to impose a tax; or

(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8166.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8166.101. MUNICIPAL UTILITY DISTRICT AND WASTE DISPOSAL POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code, and applicable to a river authority under Chapter 30, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8166.102. WATER SUPPLY IN AND TO MUNICIPALITY. (a) The powers granted by Section 8166.101 do not include the power to supply water for municipal uses, domestic uses, or commercial purposes, on a retail basis in the municipal limits or extraterritorial jurisdiction of a municipality that lies wholly or partly in the district.

(b) A municipality described by Subsection (a) may contract with the district to supply surface water to the municipality for resale. The municipality shall bear the full cost of the development, transportation, distribution, and treatment of the water.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8166.151. LIMITATION ON USE OF SEWAGE SYSTEM REVENUE. The district may not use revenue received from the district sewage system, including from the collection, transportation, treatment, or disposal of sewage, and from other purposes pertaining to the system, to pay for surface water development, transportation, distribution, or treatment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 8166.201. AUTHORITY TO ISSUE BONDS. (a) The district has the rights, powers, duties, and obligations of an issuer under Chapter 1371, Government Code.

(b) Section 49.181, Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 308 (H.B. 2162), Sec. 1, eff. June 17, 2011.

CHAPTER 8167. CINCO MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8167.001. DEFINITION. In this chapter, "district" means Cinco Municipal Utility District No. 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8167.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Fort Bend County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Sec. 8167.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8167.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 184, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8167.051. COMPOSITION OF BOARD. The district is governed by a board of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Sec. 8167.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8167.102. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future or alternative uses.

(b) The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforceable by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

CHAPTER 8168. CINCO MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8168.001. DEFINITION. In this chapter, "district" means Cinco Municipal Utility District No. 2.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8168.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Fort Bend and Harris Counties created under Section 59, Article XVI, Texas Constitution.
Sec. 8168.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8168.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 185, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose a tax; or

(4) the legality or operation of the district or its governing body.

Sec. 8168.051. COMPOSITION OF BOARD. The district is governed

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8168.051. COMPOSITION OF BOARD. The district is governed
by a board of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8168.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8168.102. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future or alternative uses.

(b) The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforceable by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**CHAPTER 8169. CINCO MUNICIPAL UTILITY DISTRICT NO. 3**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8169.001. DEFINITION. In this chapter, "district" means Cinco Municipal Utility District No. 3.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Sec. 8169.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Fort Bend and Harris Counties created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8169.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8169.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 186, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.


**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8169.051. COMPOSITION OF BOARD. The district is governed by a board of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8169.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8169.102. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future or alternative uses.

(b) The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforceable by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**CHAPTER 8170. CINCO MUNICIPAL UTILITY DISTRICT NO. 5**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8170.001. DEFINITION. In this chapter, "district" means Cinco Municipal Utility District No. 5.
Sec. 8170.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Fort Bend and Harris Counties created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8170.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8170.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 188, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its
governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8170.051. COMPOSITION OF BOARD. The district is governed by a board of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8170.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8170.102. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future or alternative uses.

(b) The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforceable by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**CHAPTER 8171. CINCO MUNICIPAL UTILITY DISTRICT NO. 6**
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8171.001. DEFINITION. In this chapter, "district" means Cinco Municipal Utility District No. 6.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8171.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Fort Bend County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8171.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8171.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 189, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a
purpose for which the district is created or to pay the principal of and interest on the bond;
   (3) the district's right to impose a tax; or
   (4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8171.051. COMPOSITION OF BOARD. The district is governed by a board of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8171.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8171.102. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future or alternative uses.

   (b) The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforceable by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
CHAPTER 8172. CINCO MUNICIPAL UTILITY DISTRICT NO. 7

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8172.001. DEFINITION. In this chapter, "district" means Cinco Municipal Utility District No. 7.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8172.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Fort Bend County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8172.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8172.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 190, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district form a
A mistake in the field notes or in copying the field notes in the legislative process does not affect:

1. the district's organization, existence, and validity;
2. the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. the district's right to impose a tax; or
4. the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8172.051. COMPOSITION OF BOARD. The district is governed by a board of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8172.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8172.102. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future or alternative uses.

(b) The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and
enforceable by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

CHAPTER 8173. CINCO MUNICIPAL UTILITY DISTRICT NO. 8

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8173.001. DEFINITION. In this chapter, "district" means Cinco Municipal Utility District No. 8.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8173.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Fort Bend County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8173.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8173.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 191, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
   (1) the district's organization, existence, and validity;
   (2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
   (3) the district's right to impose a tax; or
   (4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8173.051. COMPOSITION OF BOARD. The district is governed by a board of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8173.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8173.102. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or
increase water recycling and reuse so that a water supply is available for future or alternative uses.

(b) The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforceable by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

CHAPTER 8174. CINCO MUNICIPAL UTILITY DISTRICT NO. 9

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8174.001. DEFINITION. In this chapter, "district" means Cinco Municipal Utility District No. 9.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8174.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Fort Bend and Harris Counties created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8174.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Sec. 8174.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 192, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

1. Subchapter H, Chapter 54, Water Code;
2. Subchapter J, Chapter 49, Water Code; or
3. other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

1. the district's organization, existence, and validity;
2. the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. the district's right to impose a tax; or
4. the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8174.051. COMPOSITION OF BOARD. The district is governed by a board of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8174.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Sec. 8174.102. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future or alternative uses.

(b) The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforceable by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

For contingent expiration of this chapter, see Section 8175.003.

CHAPTER 8175. LOS FRESNOS MUNICIPAL UTILITY DISTRICT NO. 2 OF CAMERON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8175.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Los Fresnos Municipal Utility District No. 2 of Cameron County.

Added by Acts 2007, 80th Leg., R.S., Ch. 117 (S.B. 1041), Sec. 1, eff. September 1, 2007.

Sec. 8175.002. NATURE OF DISTRICT. The district is a municipal utility district in Cameron County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 117 (S.B. 1041), Sec. 1, eff. September 1, 2007.

Sec. 8175.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8175.024 before September 1, 2011:
(1) the district is dissolved September 1, 2011, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Cameron County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 117 (S.B. 1041), Sec. 1, eff. September 1, 2007.

Sec. 8175.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
   (1) the organization, existence, or validity of the district;
   (2) the right of the district to impose taxes;
   (3) the validity of the district's bonds, notes, or indebtedness; or
   (4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 117 (S.B. 1041), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8175.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 117 (S.B. 1041), Sec. 1, eff. September 1, 2007.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 8175.101.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.  The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 117 (S.B. 1041), Sec. 1, eff. September 1, 2007.

Sec. 8175.102.  ROAD PROJECTS.  (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances or orders of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 117 (S.B. 1041), Sec. 1, eff. September 1, 2007.

Sec. 8175.103.  DIVISION OF DISTRICT.  (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.
Sec. 8175.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Los Fresnos that consents to the creation of the district.

Sec. 8175.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8175.201.


Sec. 8175.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8175.101 or 8175.102.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8175.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8175.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 117 (S.B. 1041), Sec. 1, eff. September 1, 2007.
CHAPTER 8176.  FORT BEND COUNTY MUNICIPAL UTILITY
DISTRICT NO. 182

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8176.001.  DEFINITION.  In this chapter, "district" means the Fort Bend County Municipal Utility District No. 182.

Added by Acts 2007, 80th Leg., R.S., Ch. 517 (S.B. 683), Sec. 1, eff. September 1, 2007.

Sec. 8176.002.  NATURE OF DISTRICT.  The district is a municipal utility district in Fort Bend County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 517 (S.B. 683), Sec. 1, eff. September 1, 2007.

Sec. 8176.003.  APPLICABILITY OF OTHER LAW.  Except as otherwise provided by this chapter, the following laws apply to the district:
  (1) Chapters 49 and 54, Water Code, including Subchapter J, Chapter 54, Water Code; and
  (2) Section 52(b)(3), Article III, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 517 (S.B. 683), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B.  ADDITIONAL POWERS AND DUTIES

Sec. 8176.051.  ROAD PROJECTS.  (a)  The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

   (b)  A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

   (c)  The district may not undertake a road project unless each municipality in whose jurisdiction the district is located consents by ordinance or resolution.
Sec. 8176.052. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Fulshear, including an ordinance or resolution adopted before September 1, 2007, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 517 (S.B. 683), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8176.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8176.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 517 (S.B. 683), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. BONDS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 2590, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8176.151. AUTHORITY TO ISSUE BONDS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Section 8176.051.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8176.051 unless the issuance is approved by a vote of a two-thirds majority of the voters in the district or of the
defined areas to be benefited by the project as provided by
Subchapter J, Chapter 54, Water Code, voting at an election called
for that purpose. The simple majority vote approval required by
Section 54.808(a), Water Code, does not apply to an election under
this subsection.

(c) Bonds or other obligations issued or incurred to finance
projects authorized by Section 8176.051 may not exceed one-fourth of
the assessed value of the real property in the district or the
defined area, as applicable.

Added by Acts 2007, 80th Leg., R.S., Ch. 517 (S.B. 683), Sec. 1, eff.
September 1, 2007.

CHAPTER 8177. FLYING "L" PUBLIC UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8177.001. DEFINITION. In this chapter, "district" means
the Flying "L" Public Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

Sec. 8177.002. NATURE OF DISTRICT. The district is a
conservation and reclamation district in Bandera County, created
under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

Sec. 8177.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of
the district will benefit from the works and projects accomplished by
the district under the powers conferred by Section 59, Article XVI,
Texas Constitution.
(c) The creation of the district is essential to accomplish the
purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
Sec. 8177.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 505, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-508, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8177.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8177.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
CHAPTER 8178. CY-CHAMP PUBLIC UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8178.001. DEFINITIONS. In this chapter, "district" means the Cy-Champ Public Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8178.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4646, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8178.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8178.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 686, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-573, Vernon's Texas Civil Statutes), as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8178.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8178.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

CHAPTER 8179. CYPRESS CREEK UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8179.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Cypress Creek Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in Harris County, created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 146, Acts of the 61st Legislature, Regular Session, 1969 (Article 8280-403, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) former Section 9, Chapter 146, Acts of the 61st
Legislature, Regular Session, 1969 (Article 8280-403, Vernon's Texas Civil Statutes); or

(4) other law.

(b) The boundaries and field notes of the district form a closure. If a mistake is made in the field notes or in copying the field notes in the legislative process, the mistake does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 8179.051. COMPOSITION OF BOARD. The board consists of five directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.052. DIRECTOR'S BOND. (a) Each director shall execute a bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The bond must be:

(1) approved by the county judge and the board;
(2) filed in the office of the county clerk of the county or counties in which the district is located; and
(3) recorded in a record book kept for that purpose in the district office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.053. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled
in the manner provided by Section 49.105, Water Code.

(b) The county judge of the county in which the district is located shall appoint directors to fill all vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.054. DISTRICT OFFICE. (a) Except as provided by this section, the board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by:

(1) filing a copy of the board resolution that establishes the location of the office:

(A) with the Texas Commission on Environmental Quality; and

(B) in the municipal utility district records of each county in which the district is located; and

(2) publishing notice of the location of the office in a newspaper of general circulation in each county in which the district is located.

(c) A district office that is a private residence, office, or dwelling is a public place for matters relating to district business.

(d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.055. ABSENCE OF PRESIDENT FROM BOARD MEETING. If the board president is absent from a board meeting:

(1) the board vice president may:

(A) sign an order adopted at the meeting; or

(B) implement any other action taken at the meeting; or

(2) the board may authorize the president to sign the order or implement the action.
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8179.101. GENERAL POWERS AND DUTIES. The district has all of the rights, powers, privileges, authority, and functions conferred by the general laws of this state relating to municipal utility districts created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.102. ADDITIONAL POWERS AND DUTIES. (a) The district may:

(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, existing improvements, or improvements to be made, constructed, or acquired that are:
(A) inside or outside the district's boundaries; and
(B) necessary to carry out the powers granted by this chapter or general law; or

(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:
(A) the purchase or sale of water;
(B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;
(C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and
(D) the performance of any of the powers granted by this chapter or general law.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Statute text rendered on: 6/18/2019
Sec. 8179.103. EMINENT DOMAIN. The district may exercise the power of eminent domain only:

(1) in a county in which the district is located; and

(2) when necessary to carry out the purposes for which the district was created.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, or changing the grade of or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power conferred by this chapter makes necessary the relocation, raising, rerouting, changing the grade, or alteration of the construction of a highway, a railroad, an electric transmission line, a telegraph or telephone property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may enter into a contract with a political subdivision for water, sewer, or drainage services or any combination of those services without the necessity of an election by any contracting party.

(b) The district may pay for an obligation incurred by such a contract by issuing bonds that, if otherwise necessary, have been approved by the voters in the manner provided by this chapter.

(c) The district may deliver the district's bonds to any of the
following parties that enters into such a contract with the district:
(1) the United States;
(2) an agency or instrumentality of the United States;
(3) this state; or
(4) an agency or instrumentality of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.106. NOTICE OF ELECTION. The board president or secretary may give notice of an election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.107. DISTRICT RULES. The district shall adopt and enforce reasonable and effective rules to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of the district's sewerage system to preserve the quality of water within or controlled by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8179.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.
(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.
Sec. 8179.153. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered:

(1) to each director; and

(2) on request to a holder of at least 25 percent of the outstanding bonds of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:

(1) district property; or

(2) a purchase made by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8179.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY. A director may be a shareholder in a depository of district funds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 8179.201. USE OF BOND PROCEEDS DURING CONSTRUCTION. (a) The district may appropriate or set aside out of the proceeds from the sale of any bonds issued under this chapter an amount for the payment of interest, administrative, and operating expenses expected to accrue during a period of construction, as may be provided in the bond orders or resolutions.

(b) For purposes of this section, the period of construction may not exceed three years.
CHAPTER 8180. CYPRESS FOREST PUBLIC UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8180.001. DEFINITION. In this chapter, "district" means Cypress Forest Public Utility District.

Sec. 8180.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Sec. 8180.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8180.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 195, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-479, Vernon's Texas Civil Statutes), as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8180.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8180.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

CHAPTER 8181. CYPRESS-KLEIN UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8181.001. DEFINITION. In this chapter, "district" means the Cypress-Klein Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Sec. 8181.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8181.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8181.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 654, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-542, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.
Sec. 8181.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Sec. 8181.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8181.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8181.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

CHAPTER 8182. CYPRESSWOOD UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8182.001. DEFINITION. In this chapter, "district" means the Cypresswood Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8182.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8182.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8182.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 576, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-515, Vernon's Texas Civil Statutes), as that territory may have been modified under:

1. Subchapter H, Chapter 54, Water Code;
2. Subchapter J, Chapter 49, Water Code; or
3. other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

1. the district's organization, existence, and validity;
2. the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. the district's right to impose a tax; or
4. the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8182.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
SUBCHAPTER C. POWERS AND DUTIES
Sec. 8182.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

CHAPTER 8183. DELTA COUNTY MUNICIPAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8183.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) Repealed by Acts 2009, 81st Leg., R.S., Ch. 87, Sec. 21.072, eff. September 1, 2009.
(3) "Director" means a member of the board.
(4) "District" means the Delta County Municipal Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.072, eff. September 1, 2009.

Sec. 8183.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All territory in the district will benefit from the works and improvements of the district.
(b) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state for the improvement of their property and industries. In carrying out the purposes of this
chapter, the district will be performing an essential public function under the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT TERRITORIAL AND ANNEXATIONS TO DISTRICT TERRITORY

Sec. 8183.051. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Delta County unless the district territory has been modified under this subchapter or other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.052. ANNEXATION OF TERRITORY. (a) The board may annex territory if a petition requesting annexation is signed by a majority of the registered voters of the territory who own taxable property in the territory and is filed with the board. The petition must describe the territory to be annexed by metes and bounds, or otherwise, except that if the territory is the same as that contained in the boundaries of a municipality, the petition is sufficient if it states that the territory to be annexed is the territory contained in the municipal boundaries.

(b) If the board determines that the petition complies with Subsection (a), the board shall:

(1) adopt a resolution stating the conditions, if any, under which the territory may be annexed to the district; and

(2) set a time and place to hold a hearing on the question of whether the territory to be annexed will benefit from the improvements, works, or facilities owned or operated or contemplated to be owned or operated by the district.

(c) At least 10 days before the date of the hearing, notice of the adoption of the resolution stating the time and place of the hearing and addressed to the citizens and owners of property in the territory to be annexed shall be published one time in a newspaper designated by the board that is of general circulation in the territory to be annexed. The notice must describe the territory in
the same manner in which Subsection (a) requires the petition to describe the territory.

(d) Any interested person may appear at the hearing and offer evidence for or against the annexation.

(e) The hearing may proceed in the order and under the rules prescribed by the board and may be recessed from time to time.

(f) If, at the conclusion of the hearing, the board finds that the land in the territory will benefit from the present or contemplated improvements, works, or facilities of the district, the board may adopt a resolution annexing the territory to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.053. RESTRICTION ON ANNEXATION OF RAILROAD RIGHT-OF-WAY. (a) A railroad right-of-way may not be annexed to the district unless the right-of-way is contained in the limits of a municipality annexed at the same time or previously annexed to the district.

(b) A railroad right-of-way that is not in the limits of a municipality will not benefit from improvements, works, and facilities the district is authorized to construct.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8183.101. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed a director unless the person resides in Delta County or in a county all or a portion of which is contained in the district.

(b) A person may not be appointed a director unless the person resides in and owns taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.102. APPOINTMENT OF SECRETARY AND TREASURER. The board shall appoint a secretary and a treasurer, who are not required
to be directors. The board may combine the offices of secretary and treasurer.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.103. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director. The vice president may not exercise the president's right to vote.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.104. DIRECTOR'S AND TREASURER'S BOND. (a) Each director shall give bond in the amount of $5,000 conditioned on the faithful performance of the director's duties.

(b) The treasurer shall give bond in the amount required by the board. The treasurer's bond shall be conditioned on the treasurer's faithful accounting for all money that comes into the treasurer's custody as treasurer of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.105. COMPENSATION. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director:

(1) shall receive a fee for attending each meeting of the board not to exceed $20 for a meeting or $40 in one calendar month; and

(2) is entitled to an additional amount not to exceed $20 for each day that the director devotes to serving the business of the district if the service is expressly approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
SUBCHAPTER D. GENERAL POWERS AND DUTIES

Sec. 8183.151. CONTRACTS TO SUPPLY WATER OR SEWAGE SERVICES.
(a) The district may contract with a municipality or other entity to supply to the entity water or sewage transportation, treatment, or disposal services.
(b) The district may contract with a municipality for the rental or leasing of or for the operation of the municipality's water production, water supply, water filtration or purification, or water supply facilities or the municipality's sewage collection, treatment, and disposal system on the consideration agreed to by the district and the municipality.
(c) The contract may be on terms and for the time agreed to by the parties.
(d) The contract may provide that it will continue in effect until bonds specified in it and refunding bonds issued in lieu of the bonds are paid.
(e) The district may contract with a municipality for the operation of the district's water and sewer system by the municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.152. ACQUISITION OF LAND AND OTHER PROPERTY. The district may acquire the fee simple title to land and other property or easements inside or outside the district and may construct, lease, or otherwise acquire all works, plants, and other facilities necessary or useful to:
(1) divert, impound, store, or treat water for, or transport water to, municipalities and others inside or outside the district for municipal, domestic, industrial, or mining purposes; or
(2) provide sewage collection, transportation, treatment, or disposal services to municipalities and others inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.153. CONSTRUCTION CONTRACTS. (a) The district may
award a construction contract that requires an expenditure of more than $5,000 only after publication of notice to bidders once each week for two weeks in a newspaper of general circulation in the district that is designated or approved by the board.

(b) The notice is sufficient if it states:
   (1) the time and place for opening the bids;
   (2) the general nature of the work to be done or the material, equipment, or supplies to be purchased; and
   (3) the place where and the terms on which copies of the plans and specifications may be obtained.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.154. SURPLUS PROPERTY. Subject to the terms of a deed of trust issued by the district, the district may sell, trade, or otherwise dispose of property the board considers not needed for district purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.155. EMINENT DOMAIN. (a) To carry out a power provided by this chapter, the district may exercise the power of eminent domain to acquire the fee simple title to land and other property and easements, inside or outside the district, including land needed for a reservoir, dam, or flood easement above the probable high-water line around a reservoir.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The district is a municipal corporation for the purposes of Chapter 21, Property Code.

(d) The district may not exercise the power of eminent domain to acquire property owned by any other political subdivision.

(e) In exercising the power of eminent domain against a person that has the power of eminent domain or a receiver or trustee for that person, the district may acquire an easement only and not the fee title.

(f) The board shall determine the amount of and the type of
interest in land, other property, or easements to be acquired under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.156. COST OF RELOCATING PROPERTY. If the district's exercise of any power granted under this chapter makes necessary relocating, raising, rerouting or changing the grade of, or altering the construction of any highway, railroad, electric transmission line, telephone or telegraph property and facility, or pipeline, the action shall be accomplished at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8183.201. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the district to serve as depository for district money.

(b) All district money shall be deposited in a designated depository, except that:

(1) bond proceeds and money pledged to pay bonds, to the extent provided in the indenture, may be deposited with the trustee bank named in the trust indenture; and

(2) money shall be remitted to the bank of payment for the payment of principal of and interest on the bonds.

(c) To the extent that money in a depository bank or the trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) The board shall prescribe the terms of service for depositories.

(e) Before designating a depository bank, the board shall:

(1) publish notice one time in a newspaper of general circulation in the district that is specified by the board; or

(2) mail a copy of the notice to each bank in the district.

(f) The notice must:

(1) state the time and place at which the board will meet
to designate a depository bank or banks; and

(2) invite each bank in the district to submit an application to be designated as a depository.

(g) At the time stated in the notice, the board shall:

(1) consider the applications and the management and condition of each bank; and

(2) designate as a depository the bank or banks:

(A) that offer the most favorable terms for the handling of the money; and

(B) that the board finds have proper management and are in condition to handle the money.

(h) Membership on the board of an officer or director of a bank does not disqualify the bank from being designated as a depository.

(i) If the board does not receive any applications before the time stated in the notice, the board shall designate one or more banks inside or outside the district on terms that the board finds advantageous to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.202. TAX ASSESSOR AND COLLECTOR. Before the sale and delivery of district bonds payable wholly or partly from ad valorem taxes, the board may appoint a tax assessor and collector.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.203. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION. The district is not required to pay a tax or assessment on a project or any part of a project.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER F. BONDS**

Sec. 8183.251. AUTHORITY TO ISSUE BONDS. The district may issue bonds to carry out any power conferred by this chapter. The
Sec. 8183.252. FORM OF BONDS. A district bond must be:
(1) issued in the district's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.

Sec. 8183.253. MATURITY. District bonds must mature not later than 40 years after their date of issuance.

Sec. 8183.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAX.
(a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a majority of the district voters voting at an election.
(b) The board may order an election under this section without a petition. The order must specify:
(1) the time and places at which the election will be held;
(2) the purpose for which the bonds will be issued;
(3) the maximum amount of the bonds;
(4) the maximum maturity of the bonds;
(5) the form of the ballot; and
(6) the presiding judge for each voting place.
(c) Notice of the election must be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in each municipality located in the district. The notice must be published once a week for two consecutive weeks. The first publication must be not later than the 21st day before the date of the election.
Sec. 8183.255. BONDS PAYABLE FROM REVENUE. (a) Bonds issued under this subchapter may be secured under board resolution by a pledge of:

(1) all or part of the net revenue of the district;
(2) the net revenue of one or more contracts made before or after the issuance of the bonds; or
(3) other revenue or income specified by resolution of the board or in the trust indenture.

(b) The pledge may reserve the right to issue additional bonds on a parity with, or subordinate to, the bond being issued, subject to conditions specified in the pledge.

(c) Bonds not payable wholly or partly from ad valorem taxes may be issued without an election.

Sec. 8183.256. BONDS PAYABLE FROM AD VALOREM TAXES. The district may issue bonds payable, as pledged by board resolution, from:

(1) ad valorem taxes imposed on taxable property in the district; or
(2) ad valorem taxes and revenue of the district.

Sec. 8183.257. TAX AND RATE REQUIREMENTS. (a) If the district issues bonds payable wholly or partly from ad valorem taxes, the board shall impose a tax sufficient to pay the bonds and the interest on the bonds as the bonds and interest become due. The board may adopt the rate of the tax after considering the money received from the other pledged revenue available for payment of principal and interest to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.
(b) If the district issues bonds payable wholly or partly from revenue, the board shall set and revise the rates of compensation for water sold and services rendered by the district.

(c) For bonds payable wholly from revenue, the rates of compensation must be sufficient to:

1. pay the expense of operating and maintaining the facilities of the district;
2. pay the bonds as they mature and the interest as it accrues; and
3. maintain the reserve and other funds as provided in the resolution authorizing the issuance of the bonds.

(d) For bonds payable partly from revenue, the rates of compensation must be sufficient to assure compliance with the resolution authorizing the issuance of the bonds or the trust indenture securoing the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.258. ADDITIONAL SECURITY. (a) Bonds not payable wholly from ad valorem taxes may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on physical property of the district, franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee the power to:

1. sell the property for the payment of the debt;
2. operate the property; and
3. take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust lien, if one is given:

1. is the absolute owner of property, facilities, and rights purchased; and
2. is entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.259. TRUST INDENTURE. (a) A bond issued under this
subchapter, including a refunding bond, that is not payable wholly from ad valorem taxes may be additionally secured by a trust indenture. The trustee may be a bank with trust powers located inside or outside this state.

(b) A trust indenture, regardless of the existence of the deed of trust or mortgage lien on the property, may:

(1) provide for the security of the bonds and the preservation of the trust estate in the manner prescribed by the board;

(2) provide for amendment or modification of the trust indenture;

(3) provide for the issuance of bonds to replace lost or mutilated bonds;

(4) condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and

(5) provide for the investment of district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.260. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of bonds issued under this subchapter for:

(1) payment of interest expected to accrue during construction;

(2) a reserve interest and sinking fund; and

(3) any other fund provided for in the resolution authorizing the bonds or in the trust indenture.

(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purpose of the district, including any expense of issuing and selling the bonds.

(c) The district may temporarily invest proceeds from the sale of the bonds and other district funds in securities that are specified in the bond resolution or the trust indenture.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Sec. 8183.261. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of principal of or interest on bonds issued under this subchapter that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the district.

(b) The receiver may collect and receive all district income except taxes, employ and discharge district agents and employees, take charge of money on hand except money received from taxes, unless commingled, and manage the proprietary affairs of the district without consent or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or to renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8183.262. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding bonds issued under this subchapter and interest on those bonds.

(b) Refunding bonds may:

(1) be issued to refund bonds of more than one series;

(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or

(3) be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient
to pay the principal of and interest on the bonds to be refunded to
their option date or maturity date, and the comptroller shall
register the refunding bonds without the concurrent surrender and
cancellation of the bonds to be refunded.

(f) An election is not required for refunding bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

Sec. 8183.263. LIMITATION ON RIGHTS OF HOLDERS. The resolution
authorizing the bonds or the trust indenture securing the bonds may
limit or qualify the rights of the holders of less than all of the
outstanding bonds payable from the same source to institute or
prosecute litigation affecting the district's property or income.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

Sec. 8183.264. BONDS EXEMPT FROM TAXATION. A bond issued under
this subchapter, the transfer of the bond, and income from the bond,
including profits made on the sale of the bond, are exempt from
taxation in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

Sec. 8183.265. DETACHMENT OF TERRITORY AFTER ISSUANCE OF BONDS.
Territory may not be detached from the district after the issuance of
bonds payable from revenue or taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

CHAPTER 8184. DOWDELL PUBLIC UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8184.001. DEFINITION. In this chapter, "district" means
the Dowdell Public Utility District.
Sec. 8184.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Sec. 8184.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8184.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 697, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-581, Vernon's Texas Civil Statutes), as that territory may have been modified under:
   (1) Subchapter H, Chapter 54, Water Code;
   (2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8184.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8184.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8184.102. AUTHORITY TO ESTABLISH DEFINED AREAS. Notwithstanding the acreage requirement under Section 54.801(a), Water Code, the district may establish and administer defined areas as provided by Subchapter J, Chapter 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 892 (H.B. 4206), Sec. 2, eff. June 18, 2015.
Sec. 8184.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 892 (H.B. 4206), Sec. 2, eff. June 18, 2015.

Sec. 8184.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 892 (H.B. 4206), Sec. 2, eff. June 18, 2015.

SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS

Sec. 8184.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8184.103.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 892 (H.B. 4206), Sec. 3, eff. June 18, 2015.

Sec. 8184.152. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 892 (H.B. 4206), Sec. 3, eff. June 18, 2015.

CHAPTER 8185. LIBERTY COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8185.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a board member.
(3) "District" means the Liberty County Municipal Utility District No. 5.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

Sec. 8185.002. NATURE OF DISTRICT. The district is a municipal utility district in Liberty County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.
Sec. 8185.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property in the district will benefit from the works and projects to be accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.

(b) The district is created to serve a public use and benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

Sec. 8185.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

1. the organization, existence, or validity of the district;
2. the right of the district to impose taxes;
3. the validity of the district's bonds, notes, or other indebtedness; or
4. the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8185.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall
be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the date the directors are elected under Section 8185.023.

(e) If permanent directors have not been elected under Section 8185.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8185.023; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(f) If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1065 (H.B. 4715), Sec. 10, eff. June 19, 2009.

Sec. 8185.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS.
As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting shall be at the Liberty County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

Sec. 8185.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION.
(a) The temporary directors shall hold an election to confirm the
creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

Sec. 8185.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8185.023 shall draw lots to determine which two serve until the first regularly scheduled election of directors under Section 8185.052 and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

Sec. 8185.025. FIRST REGULARLY SCHEDULED ELECTION OF DIRECTORS. The board by order may postpone the first election under Section 8185.052 following the confirmation and initial directors' election held under Section 8185.023 if:

(1) the election would otherwise occur not later than the 60th day after the date on which the confirmation election is held; or

(2) the board determines that there is not sufficient time to comply with the requirements of law and to order the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8185.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.
Sec. 8185.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8185.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

Sec. 8185.102. UTILITIES. The district may not impose an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

Sec. 8185.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all valid and applicable requirements of any ordinance or resolution adopted by a municipality in the corporate limits or extraterritorial jurisdiction of which the district is located, including an ordinance or resolution adopted before September 1, 2007, that consents to the creation of the
district or to the inclusion of lands within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1254 (H.B. 2782), Sec. 1, eff. September 1, 2007.

Sec. 8185.104. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 12, eff. September 1, 2015.

CHAPTER 8186. EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8186.001. DEFINITION. In this chapter, "district" means the East Montgomery County Municipal Utility District No. 3.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8186.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County, created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Sec. 8186.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8186.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1385, Acts of the 77th Legislature, Regular Session, 2001, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the validity of district bonds, notes, or other indebtedness;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8186.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8186.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8186.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by any municipality in whose corporate limits or extraterritorial jurisdiction the district is located, including an ordinance or resolution adopted before September 1, 2001, that consents to the creation of the district or to the inclusion of lands in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8186.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 13, eff. September 1, 2015.
CHAPTER 8187. GOBER MUNICIPAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8187.001. DEFINITIONS. In this chapter:
(1) "Director" means a member of the district's board of directors.
(2) "District" means the Gober Municipal Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8187.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Fannin County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8187.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property in the district will benefit from the works and projects to be accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8187.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 756, Acts of the 75th Legislature, Regular Session, 1997, as that territory may have been modified under:
(1) Subchapter J, Chapter 49, Water Code;
(2) Subchapter H, Chapter 54, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a
closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

1. the district's organization, existence, or validity;
2. the district's right to impose a tax; or
3. the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8187.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered terms of four years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8187.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**CHAPTER 8188. GRANT ROAD PUBLIC UTILITY DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8188.001. DEFINITION. In this chapter, "district" means the Grant Road Public Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8188.002. NATURE OF DISTRICT. The district is a
conservation and reclamation district in Harris County, created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8188.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8188.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 474, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-504, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8188.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8188.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

For contingent expiration of this chapter, see Section 8189.003.

CHAPTER 8189. TRADITION MUNICIPAL UTILITY DISTRICT NO. 2 OF DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8189.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Tradition Municipal Utility District No. 2 of Denton County.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff. September 1, 2007.

Sec. 8189.002. NATURE OF DISTRICT. The district is a municipal utility district in Denton County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff. September 1, 2007.
Sec. 8189.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8189.024 before September 1, 2015:

(1) the district is dissolved September 1, 2015, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Denton County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2018.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff. September 1, 2007.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 860 (H.B. 3840), Sec. 1, eff. June 17, 2011.

Sec. 8189.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff. September 1, 2007.
Sec. 8189.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff. September 1, 2007.

Sec. 8189.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8189.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff. September 1, 2007.

Sec. 8189.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.
(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.
(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.
Sec. 8189.103. DIVISION OF DISTRICT; REQUIREMENTS. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) The board may consider a proposal to divide the district on:

(1) a petition of a landowner in the district; or
(2) a motion by the board.

(c) If the board decides to divide the district, the board shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations;
(2) prepare a metes and bounds description for each proposed district; and
(3) send written notice containing the information required by Subdivisions (1) and (2) to each county and municipality in whose extraterritorial jurisdiction the district is located.

(d) Any new district created by the division of the district may not, at the time the new district is created:

(1) contain any land outside the area described by Section 2 of the Act creating this chapter; or
(2) consist of fewer than 300 acres or more than 500 acres, without obtaining prior consent from the City Council of the City of Fort Worth.

(e) The City Council of the City of Fort Worth may refuse to issue a building permit or refuse to commence water service for an area located in the district until the area is in a new district that has been created by the division of the district in accordance with this section.
Sec. 8189.104. ELECTION FOR DIVISION OF DISTRICT. (a) Not sooner than the 30th day after the date on which the board has complied with Section 8189.103(c), the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:
   (1) the date and location of the election; and
   (2) the proposition to be voted on.

(c) If a majority of the votes cast are in favor of the division:
   (1) the district is divided; and
   (2) not later than the 30th day after the date of the election, the district shall provide written notice of the division to:
      (A) the Texas Commission on Environmental Quality;
      (B) the attorney general;
      (C) the Commissioners Court of Denton County; and
      (D) any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes cast are not in favor of the division, the district may not be divided.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff. September 1, 2007.

Sec. 8189.105. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:
   (1) appoint itself as the board of one of the new districts; and
   (2) appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed,
the appointed board shall hold an election to elect five directors in
each district for which directors were appointed under Subsection
(a)(2). The directors shall draw lots to determine which two shall
serve until the next regularly scheduled election of directors and
which three shall serve until the second regularly scheduled election
of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff.
September 1, 2007.

Sec. 8189.106. CONTINUING POWERS AND OBLIGATIONS OF NEW
DISTRICTS. (a) Each new district may incur and pay debts and has
all powers of the original district created by this chapter,
including the power to divide into two or more districts.

(b) If the district is divided as provided by this subchapter,
the current obligations and any bond authorizations of the district
are not impaired. Debts shall be paid by revenue or by taxes or
assessments imposed on real property in the district as if the
district had not been divided or by contributions from each new
district as stated in the terms set by the board under Section
8189.103(c).

(c) Any other district obligation is divided pro rata among the
new districts on an acreage basis or on other terms that are
satisfactory to the new districts.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff.
September 1, 2007.

Sec. 8189.107. COMPLIANCE WITH MUNICIPAL ORDINANCES OR
RESOLUTIONS. The original district and any new district created by
the division of the district shall comply with all applicable
requirements of any ordinance or resolution adopted by the City
Council of the City of Fort Worth that consents to the creation of
the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff.
September 1, 2007.
Sec. 8189.108. PAYMENT OF IMPACT FEES. (a) A municipality that provides water or wastewater service to a new development located in the district or in a district created under this subchapter may impose impact fees as provided by Chapter 395, Local Government Code.

(b) Notwithstanding the provisions of Chapter 395, Local Government Code, regarding the time and method of payment of impact fees, the fees may be paid by the district, a district created under this subchapter, the landowner, or the developer under an agreement with the municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff. September 1, 2007.

Sec. 8189.109. LIMIT ON EMINENT DOMAIN POWER. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for pipeline, storm water, or drainage facilities that serve the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8189.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8189.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff. September 1, 2007.

SUBCHAPTER E. BONDS

Sec. 8189.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8189.101 and 8189.102.

(b) The district may not issue bonds to finance projects authorized by Section 8189.102 unless the issuance is approved by a
vote of a two-thirds majority of the voters of the district voting at
an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance
projects authorized by Section 8189.102 may not exceed one-fourth of
the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 752 (H.B. 3182), Sec. 1, eff.
September 1, 2007.

For contingent expiration of this chapter, see Section 8190.004.

CHAPTER 8190.  DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 7

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8190.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Denton County Municipal Utility
District No. 7.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff.

Sec. 8190.002.  NATURE OF DISTRICT.  The district is a municipal
utility district in Denton County created under and essential to
accomplish the purposes of Section 52, Article III, and Section 59,
Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff.

Sec. 8190.003.  FINDING OF PUBLIC USE AND BENEFIT.  The district
is created to serve a public use and benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff.

Sec. 8190.004.  CONFIRMATION ELECTION REQUIRED.  If the creation
of the district is not confirmed at a confirmation election held
under Section 8190.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Denton County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff. June 15, 2007.

Sec. 8190.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
   (1) the organization, existence, or validity of the district;
   (2) the right of the district to impose taxes; or
   (3) the legality or operation of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8190.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8190.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff. June 15, 2007.

Sec. 8190.102. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff. June 15, 2007.

Sec. 8190.103. ROAD CONTRACTS. The district may contract for a road project in the manner provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8190.151.  OPERATION AND MAINTENANCE TAX.  The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff. June 15, 2007.

Sec. 8190.152.  TAX TO REPAY BONDS.  The district may impose a tax to pay the principal of and interest on bonds issued under Section 8190.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff. June 15, 2007.

Sec. 8190.153.  UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS.  The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code;

(4) a cable operator as defined by 47 U.S.C. Section 522; or

(5) a person who provides to the public advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS

Sec. 8190.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Section 8190.102.

(b) The district may issue bonds or other obligations payable
wholly or partly from ad valorem taxes, impact fees, revenue, grants,
or other district money.

(c) The district may not issue bonds or other obligations
secured wholly or partly by ad valorem taxation to finance projects
authorized by Section 8190.102 unless the issuance is approved by a
vote of a two-thirds majority of district voters voting at an
election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance
projects authorized by Section 8190.102 may not exceed one-fourth of
the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 793 (H.B. 4061), Sec. 1, eff.

CHAPTER 8191. HACIENDAS DEL NORTE WATER IMPROVEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8191.001. DEFINITION. In this chapter, "district" means
the Haciendas Del Norte Water Improvement District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

Sec. 8191.002. NATURE OF DISTRICT. The district is a
conservation and reclamation district in El Paso County, created
under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.

Sec. 8191.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of
the district will benefit from the works and projects accomplished by
the district under the powers conferred by Section 59, Article XVI,
Texas Constitution.

(c) The creation of the district is essential to accomplish the
purposes of Section 59, Article XVI, Texas Constitution.
Sec. 8191.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 104, Acts of the 67th Legislature, Regular Session, 1981, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8191.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8191.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
CHAPTER 8192. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 233
OF HARRIS COUNTY, TEXAS
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8192.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 233 of Harris County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8192.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County, created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8192.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8192.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 704, Acts of the 68th Legislature, Regular Session, 1983, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, and validity;
(2) the district's right to issue bonds for a purpose for which the district is created or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8192.051. COMPOSITION OF BOARD; TERMS. (a) The board of directors is composed of five elected directors.
(b) Directors serve staggered four-year terms, with two or three directors elected at each election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8192.052. BOARD VACANCY. If at any time there are fewer than three qualified directors for any reason, on petition of a landowner in the district, the Texas Commission on Environmental Quality shall appoint the necessary number of directors to fill all vacancies on the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8192.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.
Sec. 8192.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of a Houston City Council ordinance or resolution that consented to the creation of the district or the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.

Sec. 8192.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 14, eff. September 1, 2015.

CHAPTER 8193. KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8193.001. DEFINITION. "District" means Kaufman County Municipal Utility District No. 2.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. POWERS AND DUTIES
Sec. 8193.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

Sec. 8193.052. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of any municipality in whose extraterritorial jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

Sec. 8193.053. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of a municipality that consented to the creation of the district or to the inclusion of lands in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8193.101. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8193.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.
SUBCHAPTER D.  BONDS

Sec. 8193.151.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a)  The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8193.051 and 8193.052.

(b)  The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxes to finance projects authorized by Section 8193.052 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c)  Bonds or other obligations issued or incurred to finance projects authorized by Section 8193.052 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

CHAPTER 8194.  KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8194.001.  DEFINITION.  "District" means Kaufman County Municipal Utility District No. 3.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B.  POWERS AND DUTIES

Sec. 8194.051.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.
Sec. 8194.052. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of any municipality in whose extraterritorial jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

Sec. 8194.053. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of a municipality that consented to the creation of the district or to the inclusion of lands in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8194.101. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8194.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. BONDS

Sec. 8194.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8194.051 and 8194.052.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxes to finance projects.
authorized by Section 8194.052 unless the issuance is approved by a
vote of a two-thirds majority of the voters of the district voting at
an election called for that purpose.
(c) Bonds or other obligations issued or incurred to finance
projects authorized by Section 8194.052 may not exceed one-fourth of
the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff.
September 1, 2007.

CHAPTER 8195. KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 4
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8195.001. DEFINITION. "District" means Kaufman County
Municipal Utility District No. 4.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff.
September 1, 2007.

SUBCHAPTER B. POWERS AND DUTIES
Sec. 8195.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to
municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff.
September 1, 2007.

Sec. 8195.052. ROAD PROJECTS. (a) To the extent authorized by
Section 52, Article III, Texas Constitution, the district may
construct, acquire, improve, maintain, or operate macadamized,
graveled, or paved roads or turnpikes, or improvements in aid of
those roads or turnpikes, inside the district.
(b) A road project must meet all applicable construction
standards, zoning and subdivision requirements, and regulatory
ordinances of any municipality in whose extraterritorial jurisdiction
the district is located.
Sec. 8195.053. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of a municipality that consented to the creation of the district or to the inclusion of lands in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8195.101. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8195.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. BONDS

Sec. 8195.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8195.051 and 8195.052.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxes to finance projects authorized by Section 8195.052 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8195.052 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.
CHAPTER 8196. KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8196.001. DEFINITION. "District" means Kaufman County Municipal Utility District No. 5.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8196.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

Sec. 8196.052. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of any municipality in whose extraterritorial jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

Sec. 8196.053. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of a municipality that consented to the creation of the district or to the inclusion of lands in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.
SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8196.101. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8196.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. BONDS

Sec. 8196.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8196.051 and 8196.052.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxes to finance projects authorized by Section 8196.052 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8196.052 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

CHAPTER 8197. KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8197.001. DEFINITION. "District" means Kaufman County Municipal Utility District No. 6.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. POWERS AND DUTIES
Sec. 8197.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

Sec. 8197.052. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of any municipality in whose extraterritorial jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

Sec. 8197.053. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of a municipality that consented to the creation of the district or to the inclusion of lands in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8197.101. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8197.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.
SUBCHAPTER D. BONDS

Sec. 8197.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8197.051 and 8197.052.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxes to finance projects authorized by Section 8197.052 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8197.052 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

CHAPTER 8198. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 402

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8198.001. DEFINITION. "District" means Harris County Municipal Utility District No. 402.

Added by Acts 2007, 80th Leg., R.S., Ch. 469 (H.B. 1401), Sec. 1, eff. September 1, 2007.

Sec. 8198.002. NATURE OF DISTRICT. The district is a municipal utility district in Harris County created under and essential to accomplish the purposes of Section 52(b)(3), Article III, or Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 469 (H.B. 1401), Sec. 1, eff. September 1, 2007.

Sec. 8198.003. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to
the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 469 (H.B. 1401), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8198.051. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the district is located; and

(2) each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 469 (H.B. 1401), Sec. 1, eff. September 1, 2007.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 1124 (H.B. 3947), Sec. 1, eff. June 14, 2013.

Sec. 8198.052. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTIONS. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality, that consented to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 469 (H.B. 1401), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8198.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8198.151.
Added by Acts 2007, 80th Leg., R.S., Ch. 469 (H.B. 1401), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER D. BONDS**

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 2590, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8198.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Section 8198.051.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8198.051 unless the issuance is approved by a vote of a two-thirds majority of the voters in the district or of the defined areas to be benefited by the project as provided by Subchapter J, Chapter 54, Water Code, voting at an election called for that purpose. The simple majority vote approval required by Section 54.808(a), Water Code, does not apply to an election under this subsection.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8198.051 may not exceed one-fourth of the assessed value of the real property in the district or the defined area as provided by Subchapter J, Chapter 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 469 (H.B. 1401), Sec. 1, eff. September 1, 2007.

For contingent expiration of this chapter, see Section 8199.003.

CHAPTER 8199. WILLIAMSON-LIBERTY HILL MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8199.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Williamson-Liberty Hill Municipal Utility District.

Statute text rendered on: 6/18/2019 - 5785 -
Sec. 8199.002. NATURE OF DISTRICT. The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8199.003. CONFIRMATION ELECTION REQUIRED. (a) The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

(b) If the creation of the district is not confirmed at a confirmation election before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:

(A) pay any debts incurred;

(B) transfer to Williamson County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 8199.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Sec. 8199.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. right to impose an assessment or tax; or
4. legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1075 (H.B. 2734), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8199.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1075 (H.B. 2734), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8199.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 1075 (H.B. 2734), Sec. 1, eff. June 15, 2007.

Sec. 8199.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1075 (H.B. 2734), Sec. 1, eff. June 15, 2007.
Sec. 8199.103. REGIONAL WASTE DISPOSAL POWERS AND DUTIES. The district has the powers and duties applicable to a district under Chapter 30, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1075 (H.B. 2734), Sec. 1, eff. June 15, 2007.

Sec. 8199.104. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTION. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1075 (H.B. 2734), Sec. 1, eff. June 15, 2007.

Sec. 8199.105. WASTEWATER TREATMENT FACILITY DESIGN APPROVAL. The district must obtain the approval of the Brazos River Authority for the design of any district wastewater treatment facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 1075 (H.B. 2734), Sec. 1, eff. June 15, 2007.

Sec. 8199.106. WASTEWATER SERVICE PROVIDERS. Only the Brazos River Authority or a provider approved by the Brazos River Authority may provide wastewater service in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1075 (H.B. 2734), Sec. 1, eff. June 15, 2007.

Sec. 8199.107. COMPLIANCE WITH FEBRUARY 2005 AGREEMENT. The district shall comply with the terms of the "Agreement Regarding Sewer Services Areas and Customers" among the Lower Colorado River Authority, the Brazos River Authority, the City of Georgetown, the City of Liberty Hill, and the Chisholm Trail Special Utility District
Sec. 8199.108. STREET REPAIR AND MAINTENANCE. (a) After July 1, 2017, the district, at the district's expense, shall repair and maintain any streets in the district.

(b) A district's repair and maintenance of streets under this section must meet all applicable construction standards and regulations of the City of Liberty Hill and Williamson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1075 (H.B. 2734), Sec. 1, eff. June 15, 2007.

Sec. 8199.109. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 296 (H.B. 1932), Sec. 1, eff. June 17, 2011.

Sec. 8199.110. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 8199.111. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8199.109; or

(2) a recreational facility as defined by Section 49.462, Water Code.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8199.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) An ad valorem tax rate imposed by the district may not exceed the rate approved at the election.

Sec. 8199.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8199.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.073, eff. September 1, 2009.

SUBCHAPTER E. BONDS

Sec. 8199.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose, including a purpose described by Section 8199.109.

Amended by: Acts 2011, 82nd Leg., R.S., Ch. 296 (H.B. 1932), Sec. 2, eff. June 17, 2011.

Sec. 8199.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

1. the board shall impose a continuing direct annual ad valorem tax, at a rate not to exceed the rate approved at an election held under Section 8199.151, for each year that all or part of the bonds are outstanding; and

2. the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
   (A) pay the interest on the bonds or other obligations as the interest becomes due;
   (B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
   (C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1075 (H.B. 2734), Sec. 1, eff. June 15, 2007.

Sec. 8199.203. BONDS FOR ROAD PROJECTS. (a) At the time of issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

(b) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 296 (H.B. 1932), Sec. 3, eff.
June 17, 2011.

CHAPTER 8200. SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8200.001. DEFINITION. In this chapter, "district" means
the Sunfield Municipal Utility District No. 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 959 (H.B. 4043), Sec. 1, eff.

Sec. 8200.002. ELECTION DATE. Section 41.001(a), Election
Code, does not apply to an election:
(1) to confirm the district's creation;
(2) to elect initial directors; or
(3) to approve a maintenance tax, a bond, or a contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 959 (H.B. 4043), Sec. 1, eff.

SUBCHAPTER B. POWERS AND DUTIES
Sec. 8200.051. ROAD PROJECTS. (a) To the extent authorized by
Section 52, Article III, Texas Constitution, the district may
construct, acquire, improve, maintain, or operate macadamized,
graveled, or paved roads or turnpikes, or improvements in aid of
those roads or turnpikes, inside or outside the district.

(b) A road project must meet all applicable construction
standards, zoning and subdivision requirements, and regulations of:
(1) each municipality in whose corporate limits or
extraterritorial jurisdiction the district is located; and
(2) each county in which the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 959 (H.B. 4043), Sec. 1, eff. June 15, 2007.

Sec. 8200.052. CONVEYANCE OF ROAD TO MUNICIPALITY OR COUNTY. On completion of a road or road facility authorized by this section, the district, with the consent of a municipality or county, may convey the road or road facility to the municipality or county if the conveyance is free of all indebtedness of the district. If the municipality or county becomes the owner of a road or road facility, the municipality or county is responsible for all future maintenance and upkeep and the district has no further responsibility for the road or road facility or its maintenance or upkeep, unless otherwise agreed to by the district and the municipality or county.

Added by Acts 2007, 80th Leg., R.S., Ch. 959 (H.B. 4043), Sec. 1, eff. June 15, 2007.

Sec. 8200.053. REIMBURSEMENT FOR ROAD PROJECT. (a) The district may:

(1) reimburse a private person for money spent to construct a road or road facility that is dedicated or otherwise transferred to public use; or

(2) purchase a road or road facility constructed by a private person.

(b) The amount paid for the reimbursement or for the purchase of a road or road facility under Subsection (a) may:

(1) include all construction costs, including engineering, legal, financing, and other expenses incident to the construction; or

(2) be at a price not to exceed the replacement cost of the road or road facility as determined by the board.

(c) The reimbursement or purchase of a road or road facility may be paid for with proceeds from the sale of the district's bonds or from any other money available to the district.

(d) The district may enter into an agreement to use the proceeds of a subsequent bond sale to reimburse a private person under this section. The agreement may provide the terms under which the road or road facility is to be dedicated or transferred for the
benefit of the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 959 (H.B. 4043), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS**
Sec. 8200.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. The district may impose an ad valorem tax to pay the principal of or interest on bonds issued under Section 8200.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 959 (H.B. 4043), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER D. BONDS**
Sec. 8200.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Section 8200.051.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8200.051 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8200.051 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 959 (H.B. 4043), Sec. 1, eff. June 15, 2007.

**CHAPTER 8201. SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 3**
**SUBCHAPTER A. GENERAL PROVISIONS**
Sec. 8201.001. DEFINITION. In this chapter, "district" means the Sunfield Municipal Utility District No. 3.

Added by Acts 2007, 80th Leg., R.S., Ch. 957 (H.B. 4041), Sec. 1, eff. June 15, 2007.
Sec. 8201.002. ELECTION DATE. Section 41.001(a), Election Code, does not apply to an election:
(1) to confirm the district's creation;
(2) to elect initial directors; or
(3) to approve a maintenance tax, a bond, or a contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 957 (H.B. 4041), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8201.051. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of:
(1) each municipality in whose corporate limits or extraterritorial jurisdiction the district is located; and
(2) each county in which the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 957 (H.B. 4041), Sec. 1, eff. June 15, 2007.

Sec. 8201.052. CONVEYANCE OF ROAD TO MUNICIPALITY OR COUNTY. On completion of a road or road facility authorized by this section, the district, with the consent of a municipality or county, may convey the road or road facility to the municipality or county if the conveyance is free of all indebtedness of the district. If the municipality or county becomes the owner of a road or road facility, the municipality or county is responsible for all future maintenance and upkeep and the district has no further responsibility for the road or road facility or its maintenance or upkeep, unless otherwise agreed to by the district and the municipality or county.

Added by Acts 2007, 80th Leg., R.S., Ch. 957 (H.B. 4041), Sec. 1, eff. June 15, 2007.
Sec. 8201.053. REIMBURSEMENT FOR ROAD PROJECT. (a) The district may:

(1) reimburse a private person for money spent to construct a road or road facility that is dedicated or otherwise transferred to public use; or

(2) purchase a road or road facility constructed by a private person.

(b) The amount paid for the reimbursement or for the purchase of a road or road facility under Subsection (a) may:

(1) include all construction costs, including engineering, legal, financing, and other expenses incident to the construction; or

(2) be at a price not to exceed the replacement cost of the road or road facility as determined by the board.

(c) The reimbursement or purchase of a road or road facility may be paid for with proceeds from the sale of the district's bonds or from any other money available to the district.

(d) The district may enter into an agreement to use the proceeds of a subsequent bond sale to reimburse a private person under this section. The agreement may provide the terms under which the road or road facility is to be dedicated or transferred for the benefit of the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 957 (H.B. 4041), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8201.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. The district may impose an ad valorem tax to pay the principal of or interest on bonds issued under Section 8201.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 957 (H.B. 4041), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. BONDS

Sec. 8201.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Section 8201.051.
(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8201.051 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8201.051 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 957 (H.B. 4041), Sec. 1, eff. June 15, 2007.

CHAPTER 8202. SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8202.001. DEFINITION. In this chapter, "district" means the Sunfield Municipal Utility District No. 4.

Added by Acts 2007, 80th Leg., R.S., Ch. 958 (H.B. 4042), Sec. 1, eff. June 15, 2007.

Sec. 8202.002. ELECTION DATE. Section 41.001(a), Election Code, does not apply to an election:

(1) to confirm the district's creation;
(2) to elect initial directors; or
(3) to approve a maintenance tax, a bond, or a contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 958 (H.B. 4042), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8202.051. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the district is located; and
(2) each county in which the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 958 (H.B. 4042), Sec. 1, eff. June 15, 2007.

Sec. 8202.052. CONVEYANCE OF ROAD TO MUNICIPALITY OR COUNTY. On completion of a road or road facility authorized by this section, the district, with the consent of a municipality or county, may convey the road or road facility to the municipality or county if the conveyance is free of all indebtedness of the district. If the municipality or county becomes the owner of a road or road facility, the municipality or county is responsible for all future maintenance and upkeep and the district has no further responsibility for the road or road facility or its maintenance or upkeep, unless otherwise agreed to by the district and the municipality or county.

Added by Acts 2007, 80th Leg., R.S., Ch. 958 (H.B. 4042), Sec. 1, eff. June 15, 2007.

Sec. 8202.053. REIMBURSEMENT FOR ROAD PROJECT. (a) The district may:

(1) reimburse a private person for money spent to construct a road or road facility that is dedicated or otherwise transferred to public use; or

(2) purchase a road or road facility constructed by a private person.

(b) The amount paid for the reimbursement or for the purchase of a road or road facility under Subsection (a) may:

(1) include all construction costs, including engineering, legal, financing, and other expenses incident to the construction; or

(2) be at a price not to exceed the replacement cost of the road or road facility as determined by the board.

(c) The reimbursement or purchase of a road or road facility may be paid for with proceeds from the sale of the district's bonds or from any other money available to the district.

(d) The district may enter into an agreement to use the proceeds of a subsequent bond sale to reimburse a private person under this section. The agreement may provide the terms under which the road or road facility is to be dedicated or transferred for the
benefit of the public.

Added by Acts 2007, 80th Leg., R.S., Ch. 958 (H.B. 4042), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS**

Sec. 8202.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. The district may impose an ad valorem tax to pay the principal of or interest on bonds issued under Section 8202.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 958 (H.B. 4042), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER D. BONDS**

Sec. 8202.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Section 8202.051. (b) The district may not issue bonds or other obligations to finance projects authorized by Section 8202.051 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose. (c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8202.051 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 958 (H.B. 4042), Sec. 1, eff. June 15, 2007.

For contingent expiration of this chapter, see Section 8203.004. **CHAPTER 8203. SOMERSET MUNICIPAL UTILITY DISTRICT NO. 1**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8203.001. DEFINITIONS. In this chapter:

1. "Board" means the district's board of directors.
2. "Director" means a board member.
3. "District" means the Somerset Municipal Utility District No. 1.
Sec. 8203.002. NATURE OF DISTRICT. The district is a municipal utility district in San Jacinto County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

Sec. 8203.003. FINDING OF PUBLIC USE AND BENEFIT. The district is created to serve a public use and benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

Sec. 8203.004. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8203.023 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to San Jacinto County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

Sec. 8203.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes; or

(3) the legality or operation of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8203.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8203.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

Sec. 8203.102. ROAD PROJECTS; LIMIT ON EMINENT DOMAIN POWER. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or improvements in aid of those roads.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction requirements.
standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by resolution.

(d) The district may not exercise the power of eminent domain outside the district for a road project.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

Sec. 8203.103. ROAD CONTRACTS. The district may contract for a road project in the manner provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

Sec. 8203.104. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" has the meaning assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8203.151. OPERATION AND MAINTENANCE TAX. The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.
Sec. 8203.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8203.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

Sec. 8203.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code;
(4) a cable operator as defined by 47 U.S.C. Section 522; or
(5) a person who provides to the public advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS

Sec. 8203.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Section 8203.102.

(b) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money.

(c) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects...
authorized by Section 8203.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8203.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

SUBCHAPTER F.  DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8203.251.  DIVISION OF DISTRICT; REQUIREMENTS.  (a) At any time before the district issues indebtedness secured by taxes or net revenue, the district may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board may consider a proposal to divide the district on:

(1) a petition of a landowner in the district; or
(2) a motion by the board.

(e) If the board decides to divide the district, the board shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations; and
(2) prepare a metes and bounds description for each proposed district.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

Sec. 8203.252.  ELECTION FOR DIVISION OF DISTRICT.  (a) After the board has complied with Section 8203.251(e), the board shall hold an election in the district to determine whether the district should be divided as proposed.
(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:
   (1) the date and location of the election; and
   (2) the proposition to be voted on.

(c) If a majority of the votes cast are in favor of the division:
   (1) the district is divided; and
   (2) not later than the 30th day after the date of the election, the district shall provide written notice of the division to:
      (A) the Texas Commission on Environmental Quality;
      (B) the attorney general;
      (C) the commissioners court of each county in which a new district is located; and
      (D) any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes cast are not in favor of the division, the district may not be divided.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

Sec. 8203.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:
   (1) appoint itself as the board of one of the new districts; and
   (2) appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, the appointed board shall hold an election to elect five directors in each district for which directors were appointed under Subsection (a)(2). The directors shall draw lots to determine which two shall serve until the next regularly scheduled election of directors and
which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

Sec. 8203.254. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenue or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 8203.251(e).

(c) Any other district obligation is divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

Sec. 8203.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or
(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2007, 80th Leg., R.S., Ch. 982 (S.B. 1091), Sec. 1, eff. June 15, 2007.

For contingent expiration of this chapter, see Section 8204.004.
(3) "District" means the Somerset Municipal Utility District No. 2.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.002. NATURE OF DISTRICT. The district is a municipal utility district in San Jacinto County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.003. FINDING OF PUBLIC USE AND BENEFIT. The district is created to serve a public use and benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.004. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8204.023 before September 1, 2009:

1. the district is dissolved September 1, 2009, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to San Jacinto County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and
2. this chapter expires September 1, 2012.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the
Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8204.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8204.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.102. ROAD PROJECTS; LIMIT ON EMINENT DOMAIN POWER. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial
jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by resolution.

(d) The district may not exercise the power of eminent domain outside the district for a road project.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.103. ROAD CONTRACTS. The district may contract for a road project in the manner provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.104. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" has the meaning assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8204.151. OPERATION AND MAINTENANCE TAX. The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8204.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

1. an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
2. a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
3. a telecommunications provider as defined by Section 51.002, Utilities Code;
4. a cable operator as defined by 47 U.S.C. Section 522; or
5. a person who provides to the public advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS
Sec. 8204.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Section 8204.102.

(b) The district may issue bonds or other obligations payable
wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money.

(c) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8204.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8204.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS
Sec. 8204.251. DIVISION OF DISTRICT; REQUIREMENTS. (a) At any time before the district issues indebtedness secured by taxes or net revenue, the district may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board may consider a proposal to divide the district on:

(1) a petition of a landowner in the district; or

(2) a motion by the board.

(e) If the board decides to divide the district, the board shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations; and

(2) prepare a metes and bounds description for each proposed district.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.
Sec. 8204.252. ELECTION FOR DIVISION OF DISTRICT. (a) After the board has complied with Section 8204.251(e), the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:

1. the date and location of the election; and
2. the proposition to be voted on.

(c) If a majority of the votes cast are in favor of the division:

1. the district is divided; and
2. not later than the 30th day after the date of the election, the district shall provide written notice of the division to:
   (A) the Texas Commission on Environmental Quality;
   (B) the attorney general;
   (C) the commissioners court of each county in which a new district is located; and
   (D) any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes cast are not in favor of the division, the district may not be divided.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:

1. appoint itself as the board of one of the new districts; and
2. appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed,
the appointed board shall hold an election to elect five directors in each district for which directors were appointed under Subsection (a)(2). The directors shall draw lots to determine which two shall serve until the next regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.254. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenue or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 8204.251(e).

(c) Any other district obligation is divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

Sec. 8204.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

1. water and wastewater services; or
2. any other matter the boards of the new districts consider appropriate.

Added by Acts 2007, 80th Leg., R.S., Ch. 983 (S.B. 1092), Sec. 1, eff. June 15, 2007.

For contingent expiration of this chapter, see Section 8205.003.

CHAPTER 8205. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
Sec. 8205.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Waller County Municipal Utility District No. 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 518 (S.B. 684), Sec. 1, eff. September 1, 2007.

Sec. 8205.002. NATURE OF DISTRICT. The district is a municipal utility district in Waller County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 518 (S.B. 684), Sec. 1, eff. September 1, 2007.

Sec. 8205.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8205.024 before September 1, 2011:
(1) the district is dissolved September 1, 2011, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Waller County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 518 (S.B. 684), Sec. 1, eff. September 1, 2007.

Sec. 8205.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 518 (S.B. 684), Sec. 1, eff. September 1, 2007.

Sec. 8205.005. EFFECT OF CHAPTER ON BROOKSHIRE-KATY DRAINAGE DISTRICT OF WALLER COUNTY. This chapter does not affect the powers of the Brookshire-Katy Drainage District of Waller County.

Added by Acts 2007, 80th Leg., R.S., Ch. 518 (S.B. 684), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8205.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 518 (S.B. 684), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8205.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 518 (S.B. 684), Sec. 1, eff. September 1, 2007.
Sec. 8205.102. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.  
(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of:  
(1) each municipality in whose corporate limits or extraterritorial jurisdiction the district is located; and  
(2) each county in whose jurisdiction the district is located.  
(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution.  

Added by Acts 2007, 80th Leg., R.S., Ch. 518 (S.B. 684), Sec. 1, eff. September 1, 2007.

Sec. 8205.103. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:  
(1) has no outstanding bonded debt; and  
(2) is not imposing ad valorem taxes.  
(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.  
(c) Any new district created by the division of the district has all the powers and duties of the district.  
(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.  

Added by Acts 2007, 80th Leg., R.S., Ch. 518 (S.B. 684), Sec. 1, eff. September 1, 2007.

Sec. 8205.104. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTIONS. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality, that consents to the creation of the district or to the inclusion of land in the district.
Sec. 8205.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal or interest on bonds or other obligations issued under Section 8205.201.

Sec. 8205.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8205.101 or 8205.102.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8205.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8205.102 may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 8206.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Montgomery County Municipal Utility District No. 123.
Sec. 8206.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8206.103 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

Sec. 8206.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

Sec. 8206.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

Sec. 8206.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. right to impose an assessment or tax; or
4. legality or operation.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8206.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8206.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

Sec. 8206.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

Sec. 8206.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or

(2) a municipality in whose corporate limits or
extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that is located in the district and that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:
   (1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
   (2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:
   (1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
   (2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

Sec. 8206.104. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTION. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

Sec. 8206.105. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8206.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

Sec. 8206.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8206.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.074, eff. September 1, 2009.

SUBCHAPTER E. BONDS

Sec. 8206.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any
authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

Sec. 8206.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Montgomery County.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

Sec. 8206.203. BONDS FOR RECREATIONAL FACILITIES. If authorized at an election under Section 8206.151, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 439 (S.B. 1966), Sec. 1, eff. June 15, 2007.

Sec. 8206.204. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.
For contingent expiration of this chapter, see Section 8207.003.

CHAPTER 8207. FULSHEAR MUNICIPAL UTILITY DISTRICT
NO. 1 OF FORT BEND COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8207.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Fulshear Municipal Utility District No. 1 of Fort Bend County.

Added by Acts 2007, 80th Leg., R.S., Ch. 516 (S.B. 682), Sec. 1, eff. September 1, 2007.

Sec. 8207.002. NATURE OF DISTRICT. The district is a municipal utility district in Fort Bend County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 516 (S.B. 682), Sec. 1, eff. September 1, 2007.

Sec. 8207.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8207.024 before September 1, 2011:
(1) the district is dissolved September 1, 2011, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Fort Bend County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 516 (S.B. 682), Sec. 1, eff. September 1, 2007.
Sec. 8207.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

   (1) the organization, existence, or validity of the district;
   
   (2) the right of the district to impose taxes;
   
   (3) the validity of the district's bonds, notes, or indebtedness; or
   
   (4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 516 (S.B. 682), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8207.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 516 (S.B. 682), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8207.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 516 (S.B. 682), Sec. 1, eff. September 1, 2007.

Sec. 8207.102. ROAD PROJECTS. (a) To the extent authorized by
Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 516 (S.B. 682), Sec. 1, eff. September 1, 2007.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 817 (S.B. 1831), Sec. 1, eff. June 14, 2013.

Sec. 8207.103. COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the City of Fulshear.

Added by Acts 2007, 80th Leg., R.S., Ch. 516 (S.B. 682), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8207.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8207.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 516 (S.B. 682), Sec. 1, eff. September 1, 2007.
SUBCHAPTER E. BONDS

Sec. 8207.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8207.101 or 8207.102.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8207.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8207.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 516 (S.B. 682), Sec. 1, eff. September 1, 2007.

For contingent expiration of this chapter, see Section 8208.003.

CHAPTER 8208. FOUR SEASONS RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8208.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Four Seasons Ranch Municipal Utility District No. 1 of Denton County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 8.01, eff. September 1, 2007.

Sec. 8208.002. NATURE OF DISTRICT. The district is a municipal utility district in Denton County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 8.01, eff. September 1, 2007.
Sec. 8208.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8208.024 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Denton County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 8.01, eff. September 1, 2007.

Sec. 8208.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 9.02 of the article creating this chapter.

(b) The boundaries and field notes contained in Section 9.02 of the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
   (1) the organization, existence, or validity of the district;
   (2) the right of the district to impose taxes;
   (3) the validity of the district's bonds, notes, or other indebtedness; or
   (4) the legality or operation of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 8.01, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8208.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 8.01, eff. September 1, 2007.
Sec. 8208.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 8.01, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8208.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 8.01, eff. September 1, 2007.

Sec. 8208.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.

(d) The district shall, at its sole cost and expense, maintain, improve, operate, and repair all roads constructed or acquired by the district unless the municipality or county in which a road is located voluntarily assumes the obligation. An assumption of an obligation under this subsection is not valid or binding unless the assumption is in writing, executed by the necessary parties, and filed in the land records of the county in which the road is located.
Sec. 8208.103. COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8208.104. ANNEXATION OF LAND IN GRAYSON COUNTY. The district may not annex land located in Grayson County without the prior consent of the Commissioners Court of Grayson County.

Sec. 8208.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:
   (1) has no outstanding bonded debt; and
   (2) is not imposing ad valorem taxes.
   (b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.
   (c) Any new district created by the division of the district has all the powers and duties of the district.
   (d) A new district, at the time it is created by the division of the district, may not contain land outside the area described by Section 9.02 of the article creating this chapter.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8208.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under
Section 8208.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 8.01, eff. September 1, 2007.

**SUBCHAPTER E. BONDS**

Sec. 8208.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Sections 8208.101 and 8208.102.
(b) The district may not issue bonds to finance projects authorized by Section 8208.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.
(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8208.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 8.01, eff. September 1, 2007.

**CHAPTER 8209. KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8209.001. DEFINITION. "District" means Kaufman County Municipal Utility District No. 7.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER B. POWERS AND DUTIES**

Sec. 8209.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff.
Sec. 8209.052. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of any municipality in whose extraterritorial jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

Sec. 8209.053. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of a municipality that consented to the creation of the district or to the inclusion of lands in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8209.101. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8209.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. BONDS

Sec. 8209.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8209.051 and
(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxes to finance projects authorized by Section 8209.052 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8209.052 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 545 (S.B. 1205), Sec. 1, eff. September 1, 2007.

CHAPTER 8210. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 114

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8210.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Montgomery County Municipal Utility District No. 114.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

Sec. 8210.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8210.103 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

Sec. 8210.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff.
Sec. 8210.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

Sec. 8210.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8210.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8210.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

Sec. 8210.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

Sec. 8210.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or

(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must be located:

(1) in the district; or

(2) in another municipal utility district that serves a master planned community the district also serves.

(e) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and

(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.
(f) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
(2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

Sec. 8210.104. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTION. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

Sec. 8210.105. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8210.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

Sec. 8210.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8210.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.075, eff. September 1, 2009.

SUBCHAPTER E. BONDS

Sec. 8210.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

Sec. 8210.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll.
for Montgomery County.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

Sec. 8210.203. BONDS FOR RECREATIONAL FACILITIES. If authorized at an election under Section 8210.151, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

Sec. 8210.204. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

   (A) pay the interest on the bonds or other obligations as the interest becomes due;

   (B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

   (C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 582 (S.B. 1964), Sec. 1, eff. June 16, 2007.

CHAPTER 8211. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 121

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8211.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Montgomery County Municipal Utility District No. 121.
Sec. 8211.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8211.103 and Section 52, Article III, Texas Constitution, has road powers.

Sec. 8211.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Sec. 8211.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Sec. 8211.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8211.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8211.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

Sec. 8211.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

Sec. 8211.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.
(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:
(1) a county in whose jurisdiction the proposed road project is located; or
(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must be located:
(1) in the district; or
(2) in another municipal utility district that serves a master planned community the district also serves.

(e) A road project must meet all applicable standards, regulations, ordinances, or orders of:
(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(f) The district may, with the consent of the municipality or county, convey a completed road project to:
(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
(2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

Sec. 8211.104. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTION. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

Sec. 8211.105. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop
and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8211.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

Sec. 8211.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8211.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.076, eff.
SUBCHAPTER E. BONDS

Sec. 8211.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

Sec. 8211.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Montgomery County.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

Sec. 8211.203. BONDS FOR RECREATIONAL FACILITIES. If authorized at an election under Section 8211.151, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

Sec. 8211.204. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on
all taxable property in the district in an amount sufficient to:
(A) pay the interest on the bonds or other obligations as the interest becomes due;
(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 438 (S.B. 1965), Sec. 1, eff. June 15, 2007.

CHAPTER 8212. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8212.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Montgomery County Municipal Utility District No. 113.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.

Sec. 8212.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district, to the extent authorized by Section 8212.103 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.

Sec. 8212.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.
Sec. 8212.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.

Sec. 8212.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8212.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8212.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff.
Sec. 8212.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.

Sec. 8212.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or

(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must be located:

(1) in the district; or

(2) in another municipal utility district that serves a master planned community the district also serves.

(e) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and

(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(f) The district may, with the consent of the municipality or county, convey a completed road project to:
(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
(2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.

Sec. 8212.104. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTION. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.

Sec. 8212.105. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8212.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.

Sec. 8212.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8212.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.077, eff. September 1, 2009.

SUBCHAPTER E. BONDS

Sec. 8212.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 581 (S.B. 1963), Sec. 1, eff. June 16, 2007.

Sec. 8212.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Montgomery County.
Sec. 8212.203. BONDS FOR RECREATIONAL FACILITIES. If authorized at an election under Section 8212.151, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities.

Sec. 8212.204. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.
Sec. 8213.002. NATURE OF DISTRICT. The district is a municipal utility district in Brazoria County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8213.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8213.024 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:

   (A) pay any debts incurred;

   (B) transfer to Brazoria County any assets that remain after the payment of debts; and

   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 8213.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 952 (H.B. 4031), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8213.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 952 (H.B. 4031), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8213.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 952 (H.B. 4031), Sec. 1, eff. September 1, 2007.

Sec. 8213.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial
jurisdiction the district is located consents by resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 952 (H.B. 4031), Sec. 1, eff. September 1, 2007.

Sec. 8213.103.  COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS.  The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 952 (H.B. 4031), Sec. 1, eff. September 1, 2007.

Sec. 8213.104.  EFFECT OF ANNEXATION BY CITY OF ALVIN.  If, before the date of the confirmation election, the City of Alvin annexes into its corporate limits all territory described by the Act creating this chapter, Section 43.075, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 952 (H.B. 4031), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS

Sec. 8213.151.  TAX TO REPAY BONDS.  The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8213.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 952 (H.B. 4031), Sec. 1, eff. September 1, 2007.

SUBCHAPTER E.  BONDS

Sec. 8213.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  (a)  The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8213.101 or 8213.102.
(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8213.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8213.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 952 (H.B. 4031), Sec. 1, eff. September 1, 2007.

For contingent expiration of this chapter, see Section 8214.003.

CHAPTER 8214. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 494

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8214.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means Harris County Municipal Utility District No. 494.

Added by Acts 2007, 80th Leg., R.S., Ch. 782 (H.B. 3982), Sec. 1, eff. September 1, 2007.

Sec. 8214.002. NATURE OF DISTRICT. The district is a municipal utility district in Harris County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 782 (H.B. 3982), Sec. 1, eff. September 1, 2007.

Sec. 8214.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8214.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:

(A) pay any debts incurred;

(B) transfer to Harris County any assets that remain
after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 782 (H.B. 3982), Sec. 1, eff. September 1, 2007.

Sec. 8214.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 782 (H.B. 3982), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8214.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 782 (H.B. 3982), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8214.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 782 (H.B. 3982), Sec. 1, eff. September 1, 2007.

Sec. 8214.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 782 (H.B. 3982), Sec. 1, eff. September 1, 2007.

Sec. 8214.103. COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the City of Houston.

Added by Acts 2007, 80th Leg., R.S., Ch. 782 (H.B. 3982), Sec. 1, eff. September 1, 2007.

Sec. 8214.104. EFFECT OF ANNEXATION BY CITY OF HOUSTON. If, before the date of the confirmation election, the City of Houston annexes into its corporate limits all territory described by the Act creating this chapter, Section 43.075, Local Government Code, does not apply to the district.
Sec. 8214.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8214.201.

Sec. 8214.152. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

1. an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
2. a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
3. a telecommunications provider as defined by Section 51.002, Utilities Code; or
4. a person who provides to the public cable television or advanced telecommunications services.

Sec. 8214.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. 
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8214.101 or 8214.102.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8214.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance
projectsauthorized by Section 8214.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 782 (H.B. 3982), Sec. 1, eff. September 1, 2007.

CHAPTER 8215. JACKRABBIT ROAD PUBLIC UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8215.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Jackrabbit Road Public Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8215.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8215.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8215.004. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 4, Chapter 675, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bonds for a purpose for which the district is created or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8215.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8215.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**CHAPTER 8216. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 65**

**SUBCHAPTER A. GENERAL PROVISIONS**
Sec. 8216.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Galveston County Municipal Utility District No. 65.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1156 (S.B. 1997), Sec. 1, eff. June 15, 2007.

Sec. 8216.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district, to the extent authorized by Section 8216.103 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1156 (S.B. 1997), Sec. 1, eff. June 15, 2007.

Sec. 8216.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1156 (S.B. 1997), Sec. 1, eff. June 15, 2007.

Sec. 8216.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1156 (S.B. 1997), Sec. 1,
Sec. 8216.005. INITIAL DISTRICT TERRITORY.  (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1156 (S.B. 1997), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8216.051. GOVERNING BODY; TERMS.  (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1156 (S.B. 1997), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8216.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1, eff. June 15, 2007.
Sec. 8216.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8216.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ, or contract with, a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or

(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and

(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or
Section 8216.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1156 (S.B. 1997), Sec. 1, eff. June 15, 2007.

Section 8216.105. NAVIGATION DISTRICT POWERS. (a) The district has the powers provided by the general law of this state, including Chapters 60 and 62, Water Code, applicable to navigation districts created under Section 59, Article XVI, Texas Constitution.

(b) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside or outside the district, a canal, waterway, bulkhead, dock, or other improvement necessary or convenient to accomplish the navigation purposes of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1156 (S.B. 1997), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8216.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations
secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1156 (S.B. 1997), Sec. 1, eff. June 15, 2007.

Sec. 8216.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8216.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1156 (S.B. 1997), Sec. 1, eff. June 15, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.078, eff. September 1, 2009.

SUBCHAPTER E. BONDS

Sec. 8216.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1130 (H.B. 4070), Sec. 1,
Sec. 8216.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Galveston County.

Sec. 8216.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.
Sec. 8217.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Municipal Utility District No. 509.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

Sec. 8217.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district, to the extent authorized by Section 8217.103 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

Sec. 8217.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

Sec. 8217.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

Sec. 8217.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field
notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8217.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8217.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

Sec. 8217.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.
Sec. 8217.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:
   (1) a county in whose jurisdiction the proposed road project is located; or
   (2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:
   (1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
   (2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:
   (1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
   (2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

Sec. 8217.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8217.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

Sec. 8217.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8217.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS

Sec. 8217.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

Sec. 8217.202. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

Sec. 8217.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:
(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and
(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
   (A) pay the interest on the bonds or other obligations as the interest becomes due;
   (B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
   (C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1133 (H.B. 4080), Sec. 1, eff. June 15, 2007.

CHAPTER 8218. WILLOW CREEK FARMS MUNICIPAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8218.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Willow Creek Farms Municipal Utility District.

Sec. 8218.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8218.103 and Section 52, Article III, Texas Constitution, has road powers.


Sec. 8218.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.


Sec. 8218.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.


Sec. 8218.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. right to impose an assessment or tax; or
4. legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 580 (S.B. 1961), Sec. 1, eff.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8218.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Directors serve staggered four-year terms.


**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8218.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.


Sec. 8218.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.


Sec. 8218.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may construct, acquire, maintain, or operate macadamized, graveled, or paved roads or improvements in aid of those roads.
(b) A road project must meet all applicable standards, regulations, ordinances, or orders of:
(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
(2) each county in which the road project is located, if the road project is not located in the corporate limits of a
municipality.


Sec. 8218.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.


**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8218.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.


Sec. 8218.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8218.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Amended by:
    Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.079, eff. September 1, 2009.

SUBCHAPTER E. BONDS

Sec. 8218.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.


Sec. 8218.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district.


Sec. 8218.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

1. the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

2. the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
   A. pay the interest on the bonds or other obligations as the interest becomes due;
   B. create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
(C) pay the expenses of imposing the taxes.


CHAPTER 8219. KLEIN PUBLIC UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8219.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Klein Public Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8219.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8219.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8219.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 411, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may
have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8219.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8219.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8220. LAKE FOREST UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8220.001. DEFINITIONS. In this chapter:
Sec. 8220.002.  NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8220.003.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8220.004.  DISTRICT TERRITORY.  (a) The district is composed of the territory described by Section 4, Chapter 579, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a
purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8220.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8220.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

For contingent expiration of this chapter, see Section 8221.003.
CHAPTER 8221. 3 B&J MUNICIPAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8221.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the 3 B&J Municipal Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

Sec. 8221.002. NATURE OF DISTRICT. The district is a municipal
utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

Sec. 8221.003. CONFIRMATION ELECTION REQUIRED. (a) The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

(b) If the creation of the district is not confirmed at a confirmation election before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:

A) pay any debts incurred;
B) transfer to Williamson County any assets that remain after the payment of debts; and
C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

Sec. 8221.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

Sec. 8221.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8221.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8221.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

Sec. 8221.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

Sec. 8221.103. REGIONAL WASTE DISPOSAL POWERS AND DUTIES. The district has the powers and duties applicable to a district under Chapter 30, Water Code.
Sec. 8221.104. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTION. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

Sec. 8221.105. WASTEWATER TREATMENT FACILITY DESIGN APPROVAL. The district must obtain the approval of the Brazos River Authority for the design of any district wastewater treatment facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

Sec. 8221.106. WASTEWATER SERVICE PROVIDERS. Only the Brazos River Authority or a provider approved by the Brazos River Authority may provide wastewater service in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

Sec. 8221.107. COMPLIANCE WITH FEBRUARY 2005 AGREEMENT. The district shall comply with the terms of the "Agreement Regarding Sewer Services Areas and Customers" among the Lower Colorado River Authority, the Brazos River Authority, the City of Georgetown, the City of Liberty Hill, and the Chisholm Trail Special Utility District dated February 1, 2005.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.
Sec. 8221.108. STREET REPAIR AND MAINTENANCE. (a) After July 1, 2017, the district, at the district's expense, shall repair and maintain any streets in the district.

(b) A district's repair and maintenance of streets under this section must meet all applicable construction standards and regulations of the City of Georgetown and Williamson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1, eff. June 15, 2007.

Sec. 8221.109. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1086 (H.B. 4779), Sec. 1, eff. June 19, 2009.

Sec. 8221.110. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1086 (H.B. 4779), Sec. 1, eff. June 19, 2009.

Sec. 8221.111. LIMITATION ON USE OF EMINENT DOMAIN. The
district may not exercise the power of eminent domain outside the
district to acquire a site or easement for a road project authorized
by Section 8221.109.

Added by Acts 2009, 81st Leg., R.S., Ch. 1086 (H.B. 4779), Sec. 1,

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8221.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations
secured by revenue or contract payments from a source other than ad
valorem taxation.

(b) The district must hold an election in the manner provided
by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) An ad valorem tax rate imposed by the district may not
exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1,

Sec. 8221.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 8221.151, the district
may impose an operation and maintenance tax on taxable property in
the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1,
Amended by:
Act 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.080, eff.
September 1, 2009.

SUBCHAPTER E. BONDS

Sec. 8221.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, grants, or other
district money, or any combination of those sources, to pay for any
authorized district purpose, including a purpose described by Section
8221.109.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1,
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 1086 (H.B. 4779), Sec. 2, eff.

Sec. 8221.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the
time bonds or other obligations payable wholly or partly from ad
valorem taxes are issued:

   (1) the board shall impose a continuing direct annual ad
valorem tax, at a rate not to exceed the rate approved at an election
held under Section 8221.151, for each year that all or part of the
bonds are outstanding; and

   (2) the district annually shall impose an ad valorem tax on
all taxable property in the district in an amount sufficient to:
      (A) pay the interest on the bonds or other obligations
as the interest becomes due;
      (B) create a sinking fund for the payment of the
principal of the bonds or other obligations when due or the
redemption price at any earlier required redemption date; and
      (C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1131 (H.B. 4072), Sec. 1,

Sec. 8221.203. BONDS FOR ROAD PROJECTS. (a) At the time of
issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

   (b) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an
election held for that purpose.
CHAPTER 8222. LAMAR IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8222.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Lamar Improvement District.

Sec. 8222.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district, to the extent authorized by Section 8222.103 and Section 52, Article III, Texas Constitution, has road powers.

Sec. 8222.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Sec. 8222.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.
Sec. 8222.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 193 (S.B. 1960), Sec. 1, eff. May 23, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8222.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 193 (S.B. 1960), Sec. 1, eff. May 23, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8222.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 193 (S.B. 1960), Sec. 1, eff. May 23, 2007.

Sec. 8222.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8222.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ, or contract with, a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or

(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and

(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or

(2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 193 (S.B. 1960), Sec. 1, eff. May 23, 2007.

Sec. 8222.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land
in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 193 (S.B. 1960), Sec. 1, eff. May 23, 2007.

Sec. 8222.105. NAVIGATION DISTRICT POWERS. (a) The district has the powers provided by the general law of this state, including Chapters 60 and 62, Water Code, applicable to navigation districts created under Section 59, Article XVI, Texas Constitution.

(b) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside or outside the district, a canal, waterway, bulkhead, dock, or other improvement necessary or convenient to accomplish the navigation purposes of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 193 (S.B. 1960), Sec. 1, eff. May 23, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8222.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 193 (S.B. 1960), Sec. 1, eff. May 23, 2007.

Sec. 8222.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8222.151, the district may impose an operation and maintenance tax on taxable property in
the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 193 (S.B. 1960), Sec. 1, eff. May 23, 2007.
Amended by:
    Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.081, eff. September 1, 2009.

**SUBCHAPTER E. BONDS**

Sec. 8222.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 193 (S.B. 1960), Sec. 1, eff. May 23, 2007.

Sec. 8222.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Aransas County.

Added by Acts 2007, 80th Leg., R.S., Ch. 193 (S.B. 1960), Sec. 1, eff. May 23, 2007.

Sec. 8222.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

1. the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

2. the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 193 (S.B. 1960), Sec. 1, eff. May 23, 2007.

For contingent expiration of this chapter, see Section 8223.003.

CHAPTER 8223. MCKINNEY MUNICIPAL UTILITY DISTRICT
No. 1 OF COLLIN COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8223.002. NATURE OF DISTRICT. The district is a municipal utility district in Collin County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8223.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8223.024 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts
shall be transferred to Collin County; and
(C) the organization of the district shall be
maintained until all debts are paid and remaining assets are
transferred; and
(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8223.004. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act creating this chapter.
(b) The boundaries and field notes of the district, as
described by Section 2 of the Act creating this chapter, form a
closure. A mistake made in the field notes or in copying the field
notes in the legislative process does not affect:
(1) the organization, existence, or validity of the
district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or
indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8223.051. DIRECTORS; TERMS. (a) The district is governed
by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8223.052. ELECTION OF DIRECTORS. On the uniform election
date in May of each even-numbered year, the appropriate number of
directors shall be elected.
Sec. 8223.101. GENERAL POWERS. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8223.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances or orders of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(c) If the district is located outside the territorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(d) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8223.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the city.
council of the City of McKinney.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8223.104. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.
(c) Any new district created by the division of the district has all the powers and duties of the district.
(d) A new district, at the time it is created by the division of the district, may not contain land outside the area described by Section 2 of the Act creating this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8223.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8223.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8223.152. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:
(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

SUBCHAPTER E. BONDS

Sec. 8223.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8223.101 and 8223.102.

(b) The district may not issue bonds to finance projects authorized by Section 8223.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8223.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

CHAPTER 8224. CINCO SOUTHWEST MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8224.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a board member.

(3) "District" means the Cinco Southwest Municipal Utility District No. 1.


Sec. 8224.002. NATURE OF DISTRICT. (a) The district is a municipal utility district in Fort Bend County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district, to the extent authorized by Section 8224.052 and Section 52, Article III, Texas Constitution, has road powers.


Sec. 8224.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.


SUBCHAPTER B. POWERS AND DUTIES

Sec. 8224.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.


Sec. 8224.052. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or

(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the road.
(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

1. each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
2. each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

1. a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
2. a county in which the road project is located.


**SUBCHAPTER C. BONDS**

Sec. 8224.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for road projects as provided by Section 8224.052.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

(c) The total principal amount of bonds, notes, or other obligations issued or incurred to finance the road projects may not exceed one-fourth of the assessed value of the real property in the district according to the most recent certified appraisal roll for Fort Bend County.


**CHAPTER 8225. CINCO SOUTHWEST MUNICIPAL UTILITY DISTRICT NO. 2**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8225.001. DEFINITIONS. In this chapter:
"Board" means the board of directors of the district.
"Director" means a board member.
"District" means the Cinco Southwest Municipal Utility District No. 2.

Sec. 8225.002. NATURE OF DISTRICT. (a) The district is a municipal utility district in Fort Bend County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district, to the extent authorized by Section 8225.052 and Section 52, Article III, Texas Constitution, has road powers.

Sec. 8225.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Sec. 8225.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 584 (S.B. 1987), Sec. 1, eff. June 16, 2007.
Sec. 8225.052. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

1. a county in whose jurisdiction the proposed road project is located; or
2. a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

1. each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
2. each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

1. a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
2. a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 584 (S.B. 1987), Sec. 1, eff. June 16, 2007.

SUBCHAPTER C. BONDS

Sec. 8225.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for road projects as provided by Section 8225.052.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an
election held for that purpose.

(c) The total principal amount of bonds, notes, or other obligations issued or incurred to finance the road projects may not exceed one-fourth of the assessed value of the real property in the district according to the most recent certified appraisal roll for Fort Bend County.

Added by Acts 2007, 80th Leg., R.S., Ch. 584 (S.B. 1987), Sec. 1, eff. June 16, 2007.

CHAPTER 8226. CINCO SOUTHWEST MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8226.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a board member.
(3) "District" means the Cinco Southwest Municipal Utility District No. 3.


Sec. 8226.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8226.052 and Section 52, Article III, Texas Constitution, has road powers.


Sec. 8226.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8226.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

(a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.


Sec. 8226.052. ROAD PROJECTS.

(a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or

(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and

(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or

(2) a county in which the road project is located.

SUBCHAPTER C. BONDS

Sec. 8226.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for road projects.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

(c) The total principal amount of bonds, notes, or other obligations issued or incurred to finance the road projects may not exceed one-fourth of the assessed value of the real property in the district according to the most recent certified appraisal roll for Fort Bend County.


CHAPTER 8227. CINCO SOUTHWEST MUNICIPAL UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8227.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a board member.
(3) "District" means the Cinco Southwest Municipal Utility District No. 4.


Sec. 8227.002. NATURE OF DISTRICT. (a) The district is a municipal utility district in Fort Bend County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8227.052
and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 789 (H.B. 4019), Sec. 1, eff. June 15, 2007.

Sec. 8227.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 789 (H.B. 4019), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8227.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
(a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 789 (H.B. 4019), Sec. 1, eff. June 15, 2007.

Sec. 8227.052. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or
(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and

(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or

(2) a county in which the road project is located.


Added by Acts 2007, 80th Leg., R.S., Ch. 789 (H.B. 4019), Sec. 1, eff. June 15, 2007.

### SUBCHAPTER C. BONDS

Sec. 8227.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for road projects as provided by Section 8227.052.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

(c) The total principal amount of bonds, notes, or other obligations issued or incurred to finance the road projects may not exceed one-fourth of the assessed value of the real property in the district according to the most recent certified appraisal roll for Fort Bend County.
Sec. 8228.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas.

Sec. 8228.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Sec. 8228.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or
maintenance of macadamized, graveled, or paved roads, or
improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04,
eff. April 1, 2017.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 14 (H.B. 1664), Sec. 1, eff. May 18, 2017.

Sec. 8228.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 218, Acts of the 72nd Legislature, Regular Session, 1991, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04,
eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8228.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04,
eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8228.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and
duties provided by general law, including Chapters 49, 50, and 54, Water Code, applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8228.102. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 14 (H.B. 1664), Sec. 2, eff. May 18, 2017.

Sec. 8228.103. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 14 (H.B. 1664), Sec. 2, eff. May 18, 2017.

SUBCHAPTER D. BONDS

Sec. 8228.151. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 14 (H.B. 1664), Sec. 3, eff. May 18, 2017.

CHAPTER 8229. LUCE BAYOU PUBLIC UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8229.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Luce Bayou Public Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8229.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8229.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8229.004. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 4, Chapter 554, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8229.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8229.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**CHAPTER 8230. LUMBERTON MUNICIPAL UTILITY DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**
Sec. 8230.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Lumberton Municipal Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8230.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Hardin County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8230.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8230.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 388, Acts of the 63rd Legislature, Regular Session, 1973, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8230.005. CERTAIN LAWS INAPPLICABLE TO CREATION OF DISTRICT. The district was created notwithstanding any provision of Section 212.003, Local Government Code, Chapter 42 or 43, Local Government Code, or Section 54.016, Water Code, and to the extent of the creation of the district only, those provisions shall have no application.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8230.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8230.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred and imposed by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
CHAPTER 8231. CALHOUN COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8231.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Calhoun County Municipal Utility District No. 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 587 (S.B. 1990), Sec. 1, eff. June 16, 2007.

Sec. 8231.002. NATURE OF DISTRICT. The district is a municipal utility district in Calhoun County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 587 (S.B. 1990), Sec. 1, eff. June 16, 2007.

Sec. 8231.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8231.022 before September 1, 2011:
(1) the district is dissolved September 1, 2011, except that:
(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Calhoun County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 587 (S.B. 1990), Sec. 1, eff. June 16, 2007.

Sec. 8231.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the
Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 587 (S.B. 1990), Sec. 1, eff. June 16, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8231.051. DIRECTORS; TERMS; ELECTIONS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

(c) The appropriate number of directors shall be elected on the uniform election date in May of even-numbered years.

Added by Acts 2007, 80th Leg., R.S., Ch. 587 (S.B. 1990), Sec. 1, eff. June 16, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8231.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 587 (S.B. 1990), Sec. 1, eff. June 16, 2007.

Sec. 8231.102. DIVISION OF DISTRICT. (a) The district may be divided into two or more districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 51.749 through 51.758, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district, except the power to divide the district into new districts under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 587 (S.B. 1990), Sec. 1, eff. June 16, 2007.

CHAPTER 8232. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 124

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8232.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Montgomery County Municipal Utility District No. 124.


Sec. 8232.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8232.103 and Section 52, Article III, Texas Constitution, has road powers.


Sec. 8232.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Sec. 8232.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.


Sec. 8232.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. right to impose an assessment or tax; or
4. legality or operation.


SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8232.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms.


SUBCHAPTER C. POWERS AND DUTIES

Sec. 8232.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 440 (S.B. 1967), Sec. 1, eff.
Sec. 8232.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.


Sec. 8232.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or

(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that is located in the district and that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and

(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or

(2) a county in which the road project is located.

Sec. 8232.104. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTION. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.


Sec. 8232.105. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.


SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8232.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.
Sec. 8232.152.  OPERATION AND MAINTENANCE TAX.  (a) If authorized at an election held under Section 8232.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8232.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8232.202.  BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Montgomery County.

Sec. 8232.203.  BONDS FOR RECREATIONAL FACILITIES. If
authorized at an election under Section 8232.151, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities.


Sec. 8232.204. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and
(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
   (A) pay the interest on the bonds or other obligations as the interest becomes due;
   (B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
   (C) pay the expenses of imposing the taxes.


CHAPTER 8233. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 190

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8233.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Fort Bend County Municipal Utility District No. 190.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

Sec. 8233.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish
the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8233.102 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

Sec. 8233.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

Sec. 8233.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property in the district will benefit from the improvements and services to be provided by the district.

(b) The district is created to accomplish:

(1) the purposes of a municipal utility district as provided by general law; and

(2) to the extent authorized by Section 52, Article III, Texas Constitution, the financing, construction, or acquisition of road projects.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

Sec. 8233.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8233.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8233.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
(a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

Sec. 8233.102. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, a district may finance, construct, or acquire a road project as provided by this section.
(b) A road project must meet all applicable standards, regulations, ordinances, or orders of:
(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
(2) each county in which the road project is located.
(c) The district may, with the consent of the municipality or county, convey a completed road project to:
(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
(2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

Sec. 8233.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8233.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds to finance a road project under Section 8233.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

Sec. 8233.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8233.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 8233.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

Sec. 8233.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds, notes, or other obligations issued or incurred to finance a road project under Section 8233.102 may not exceed one-fourth of the assessed value of real property in the district according to the most recent appraisal roll for Fort Bend County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

Sec. 8233.203. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

   (A) pay the interest on the bonds as the interest becomes due;

   (B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and
(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1284 (H.B. 4024), Sec. 1, eff. June 15, 2007.

CHAPTER 8234.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 438

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8234.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Municipal Utility District No. 438.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

Sec. 8234.002.  NATURE OF DISTRICT.  (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district, to the extent authorized by Section 8234.103 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

Sec. 8234.003.  CONFIRMATION ELECTION REQUIRED.  The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

Sec. 8234.004.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff.
Sec. 8234.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

   (1) organization, existence, or validity;
   (2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
   (3) right to impose an assessment or tax; or
   (4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8234.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8234.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

Sec. 8234.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

Sec. 8234.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or

(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and

(2) if the road project is not located in the corporate limits of a municipality, each county in which the road project is located.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or

(2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

Sec. 8234.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable
requirements of any ordinance or resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8234.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

Sec. 8234.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8234.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS

Sec. 8234.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

Sec. 8234.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

Sec. 8234.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 783 (H.B. 3988), Sec. 1, eff. June 15, 2007.

CHAPTER 8235. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 437

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8235.001. DEFINITIONS. In this chapter:
Sec. 8235.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district, to the extent authorized by Section 8235.103 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

Sec. 8235.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

Sec. 8235.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

Sec. 8235.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does
not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. right to impose an assessment or tax; or
4. legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8235.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8235.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

Sec. 8235.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

Sec. 8235.103. ROAD PROJECTS. (a) Under Section 52, Article
III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:
   (1) a county in whose jurisdiction the proposed road project is located; or
   (2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:
   (1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
   (2) if the road project is not located in the corporate limits of a municipality, each county in which the road project is located.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:
   (1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
   (2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

Sec. 8235.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8235.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

Sec. 8235.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8235.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS

Sec. 8235.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

Sec. 8235.202. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

Sec. 8235.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 784 (H.B. 3989), Sec. 1, eff. June 15, 2007.

CHAPTER 8236. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8236.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Waller County Municipal Utility District No. 2.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.
Sec. 8236.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8236.103 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

Sec. 8236.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

Sec. 8236.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

Sec. 8236.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) right to impose an assessment or tax; or

(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1,
Sec. 8236.006. EFFECT OF CHAPTER ON BROOKSHIRE-KATY DRAINAGE DISTRICT OF WALLER COUNTY. This chapter does not affect the powers of the Brookshire-Katy Drainage District of Waller County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8236.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8236.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

Sec. 8236.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

Sec. 8236.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or
acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:
   (1) a county in whose jurisdiction the proposed road project is located; or
   (2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.
(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.
(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:
   (1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
   (2) if the road project is not located in the corporate limits of a municipality, each county in which the road project is located.
(e) The district may, with the consent of the municipality or county, convey a completed road project to:
   (1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
   (2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

Sec. 8236.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8236.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

Sec. 8236.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8236.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS

Sec. 8236.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

Sec. 8236.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other
obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Waller County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

Sec. 8236.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1153 (S.B. 1954), Sec. 1, eff. June 15, 2007.

CHAPTER 8237. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8237.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Waller County Municipal Utility District No. 3.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

Sec. 8237.002. NATURE OF DISTRICT. (a) The district is a
municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8237.103 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

Sec. 8237.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

Sec. 8237.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

Sec. 8237.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.
Sec. 8237.006. EFFECT OF CHAPTER ON BROOKSHIRE-KATY DRAINAGE DISTRICT OF WALLER COUNTY. This chapter does not affect the powers of the Brookshire-Katy Drainage District of Waller County.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8237.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8237.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

Sec. 8237.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

Sec. 8237.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.
(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:
   (1) a county in whose jurisdiction the proposed road project is located; or
   (2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:
   (1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
   (2) if the road project is not located in the corporate limits of a municipality, each county in which the road project is located.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:
   (1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
   (2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

Sec. 8237.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8237.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

Sec. 8237.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8237.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

SUBCHAPTER E. BONDS

Sec. 8237.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

Sec. 8237.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not
exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Waller County.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

Sec. 8237.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
   (A) pay the interest on the bonds or other obligations as the interest becomes due;
   (B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and
   (C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 579 (S.B. 1955), Sec. 1, eff. June 16, 2007.

CHAPTER 8238. GUNTER MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8238.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Gunter Municipal Utility District No. 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to
accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district.

(b) The district is created to accomplish:

(1) the purposes of a municipal utility district as provided by general law; and

(2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or improvements in aid of those roads.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.006. ANNEXATION BY CITY OF GUNTER. Notwithstanding any other law, if all of the territory of the district is annexed by the City of Gunter into the corporate limits of that municipality before the date of the election under Section 8238.003, the district may not be dissolved and shall continue until the district is dissolved under Section 43.074, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8238.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8238.053, directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.053. INITIAL DIRECTORS. (a) The initial board consists of:

(1) Erik Nelson;
(2) David Kelly;
(3) Jeff Sallas;
(4) Howell Kemp; and
(5) Jill Tate.

(b) Unless the initial board otherwise agrees, the initial directors shall draw lots to determine which two directors shall serve until the first regularly scheduled election of directors and which three directors shall serve until the second regularly scheduled election of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.054. CONSENT OF MUNICIPALITY REQUIRED. The initial directors may not hold an election under Section 8238.003 until:

(1) all of the territory of the district is included in the corporate limits of the City of Gunter; and

(2) the City of Gunter has adopted a resolution consenting to the creation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8238.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
(a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

(c) Notwithstanding Subsection (a), the district may not act as a retail provider of water or wastewater service.

(d) The district shall make the district's water and wastewater facilities available to an entity holding the applicable certificate of public convenience and necessity.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.
Sec. 8238.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or improvements in aid of those roads.

(b) A road project must meet all applicable standards, regulations, and ordinances of the municipality or county in whose jurisdiction the district is located.

(c) If a portion of the territory of the district is excluded from the corporate limits of the City of Gunter, the district shall:

(1) improve, maintain, repair, and operate the roads located in that portion of territory in accordance with the ordinances and rules of the political subdivision possessing jurisdiction over the roads in that portion of territory; and

(2) pay the entire cost of performing the district's duties under Subdivision (1).

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the municipality that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.104. NO ALLOCATION AGREEMENT. Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.01, eff. September 1, 2011.

SUBCHAPTER C-1. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8238.131. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the
district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.02, eff. September 1, 2011.

Sec. 8238.132. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.02, eff. September 1, 2011.

Sec. 8238.133. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2, Chapter 966, Acts of the 80th Legislature, Regular Session, 2007.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.02, eff. September 1, 2011.

Sec. 8238.134. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8238.003 to confirm the district's creation.

(c) An order dividing the district must:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between the new districts.

(d) On or before the 30th day after the date of adoption of an
order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.02, eff. September 1, 2011.

Sec. 8238.135. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8238.003.
(b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the Texas Commission on Environmental Quality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.02, eff. September 1, 2011.

Sec. 8238.136. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8238.054 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.02, eff. September 1, 2011.

Sec. 8238.137. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.02, eff. September 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8238.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8238.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8238.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds to finance projects authorized by Section 8238.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8238.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.
Sec. 8238.202. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

CHAPTER 8239. GUNTER MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8239.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Gunter Municipal Utility District No. 2.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1, eff. June 15, 2007.

Sec. 8239.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1, eff. June 15, 2007.

Sec. 8239.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided
by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1, eff. June 15, 2007.

Sec. 8239.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district. (b) The district is created to accomplish: (1) the purposes of a municipal utility district as provided by general law; and (2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or improvements in aid of those roads.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1, eff. June 15, 2007.

Sec. 8239.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter. (b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's: (1) organization, existence, or validity; (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond; (3) right to impose or collect an assessment or tax; or (4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1, eff. June 15, 2007.

Sec. 8239.006. ANNEXATION BY CITY OF GUNTER. Notwithstanding any other law, if all of the territory of the district is annexed by
the City of Gunter into the corporate limits of that municipality
before the date of the election under Section 8239.003, the district
may not be dissolved and shall continue until the district is
dissolved under Section 43.074, Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1,

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8239.051. DIRECTORS; TERMS. (a) The district is governed
by a board of five directors.
(b) Except as provided by Section 8239.053, directors serve
staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1,

Sec. 8239.052. ELECTION OF DIRECTORS. On the uniform election
date in May of each even-numbered year, the appropriate number of
directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1,

Sec. 8239.053. INITIAL DIRECTORS. (a) The initial board
consists of:
(1) Jennifer Milstead;
(2) Collette Sallas;
(3) Eddie Collins;
(4) Herschel Pierce; and
(5) Todd Cook.
(b) Unless the initial board otherwise agrees, the initial
directors shall draw lots to determine which two directors shall
serve until the first regularly scheduled election of directors and
which three directors shall serve until the second regularly
scheduled election of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1,
Sec. 8239.054. CONSENT OF MUNICIPALITY REQUIRED. The initial directors may not hold an election under Section 8239.003 until:

1. all of the territory of the district is included in the corporate limits of the City of Gunter; and
2. the City of Gunter has adopted a resolution consenting to the creation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8239.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

(a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

(c) Notwithstanding Subsection (a), the district may not act as a retail provider of water or wastewater service.

(d) The district shall make the district's water and wastewater facilities available to an entity holding the applicable certificate of public convenience and necessity.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1, eff. June 15, 2007.

Sec. 8239.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or improvements in aid of those roads.

(b) A road project must meet all applicable construction standards, regulations, and ordinances of the municipality or county in whose jurisdiction the district is located.

(c) If a portion of the territory of the district is excluded from the corporate limits of the City of Gunter, the district shall:
(1) improve, maintain, repair, and operate the roads located in that portion of territory in accordance with the ordinances and rules of the political subdivision possessing jurisdiction over the roads in that portion of territory; and
(2) pay the entire cost of performing the district's duties under Subdivision (1).

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1, eff. June 15, 2007.

Sec. 8239.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the municipality that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1, eff. June 15, 2007.

Sec. 8239.104. NO ALLOCATION AGREEMENT. Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.03, eff. September 1, 2011.

SUBCHAPTER C-1. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8239.131. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.04, eff. September 1, 2011.

Sec. 8239.132. LAW APPLICABLE TO NEW DISTRICT. This chapter
applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.04, eff. September 1, 2011.

Sec. 8239.133. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2, Chapter 1138, Acts of the 80th Legislature, Regular Session, 2007.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.04, eff. September 1, 2011.

Sec. 8239.134. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8239.003 to confirm the district's creation.

(c) An order dividing the district must:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between the new districts.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.04, eff. September 1, 2011.
Sec. 8239.135. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8239.003. (b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the Texas Commission on Environmental Quality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.04, eff. September 1, 2011.

Sec. 8239.136. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8239.054 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.04, eff. September 1, 2011.

Sec. 8239.137. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.04, eff. September 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8239.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation. (b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.
Sec. 8239.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8239.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8239.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds to finance projects authorized by Section 8239.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8239.102 may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 8239.202. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest...
becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1138 (H.B. 4097), Sec. 1, eff. June 15, 2007.

CHAPTER 8240.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 510

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8240.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Harris County Municipal Utility District No. 510.

Added by Acts 2007, 80th Leg., R.S., Ch. 1124 (H.B. 4017), Sec. 1, eff. September 1, 2007.

Sec. 8240.002.  NATURE OF DISTRICT.  The district is a municipal utility district in Harris County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1124 (H.B. 4017), Sec. 1, eff. September 1, 2007.

Sec. 8240.004.  INITIAL DISTRICT TERRITORY.  (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1124 (H.B. 4017), Sec. 1, eff. September 1, 2007.

SUBCHAPTER A-1. ORGANIZATION AND CONFIRMATION

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8240.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1124 (H.B. 4017), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8240.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1124 (H.B. 4017), Sec. 1, eff. September 1, 2007.

Sec. 8240.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.
(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1124 (H.B. 4017), Sec. 1, eff. September 1, 2007.
Sec. 8240.103. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1124 (H.B. 4017), Sec. 1, eff. September 1, 2007.

Sec. 8240.104. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Baytown.

Added by Acts 2007, 80th Leg., R.S., Ch. 1124 (H.B. 4017), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8240.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8240.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1124 (H.B. 4017), Sec. 1, eff. September 1, 2007.

SUBCHAPTER E. BONDS

Sec. 8240.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction,
maintenance, or operation of a project under Section 8240.101 or 8240.102.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8240.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8240.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1124 (H.B. 4017), Sec. 1, eff. September 1, 2007.

CHAPTER 8241. SOUTHEAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8241.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Southeast Montgomery County Municipal Utility District No. 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.

Sec. 8241.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8241.103 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.

Sec. 8241.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.
Sec. 8241.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Sec. 8241.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) right to impose an assessment or tax; or
(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8241.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Directors serve staggered four-year terms.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8241.101. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.

Sec. 8241.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.

Sec. 8241.103. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or
(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the certified road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or
extraterritorial jurisdiction the road project is located; or
(2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.

Sec. 8241.104. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTION. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.

Sec. 8241.105. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8241.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from a source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.

Sec. 8241.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8241.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Section 49.107, Water Code.  
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.  
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.084, eff. September 1, 2009.

SUBCHAPTER E. BONDS

Sec. 8241.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.

Sec. 8241.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Montgomery County.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff.
Sec. 8241.203. BONDS FOR RECREATIONAL FACILITIES. If authorized at an election under Section 8241.151, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.

Sec. 8241.204. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 948 (H.B. 3998), Sec. 1, eff. June 15, 2007.

CHAPTER 8242. BOOTH RANCH MUNICIPAL UTILITY DISTRICT OF FORT BEND COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8242.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Commission" means the Texas Commission on Environmental Quality or its successors.

(3) "Director" means a member of the board.

(4) "District" means Booth Ranch Municipal Utility District of Fort Bend County, Texas.
Sec. 8242.002. NATURE OF DISTRICT. Booth Ranch Municipal Utility District of Fort Bend County, Texas, is created as a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8242.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Sec. 8242.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district. (b) The district is created to accomplish the purposes of a municipal utility district as provided by general law.

Sec. 8242.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of territory described by Section 2 of the Act creating this chapter. (b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's: (1) organization, existence, or validity; (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 540 (S.B. 1070), Sec. 1, eff. June 16, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8242.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Except as provided by Section 8242.053, directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 540 (S.B. 1070), Sec. 1, eff. June 16, 2007.

Sec. 8242.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 540 (S.B. 1070), Sec. 1, eff. June 16, 2007.

Sec. 8242.053. INITIAL DIRECTORS. (a) The initial board shall be appointed by the commission upon petition of any landowner in the district.
(b) Unless otherwise agreed, the directors shall decide the initial terms of office by lot, with a simple majority of directors serving until the second succeeding directors election and the remaining directors serving until the next directors election.

Added by Acts 2007, 80th Leg., R.S., Ch. 540 (S.B. 1070), Sec. 1, eff. June 16, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8242.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 8242.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 540 (S.B. 1070), Sec. 1, eff. June 16, 2007.

Sec. 8242.103. MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. (a) Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the municipality that consents to the creation of the district or to the inclusion of lands within the district.

(b) Notwithstanding Section 54.016(e), Water Code, the governing body of a municipality which includes within its corporate limits all or a portion of the district may include restrictions in or conditions to its consent to the creation of the district in addition to those set forth in that subsection, including the condition that, at the time such consent is granted, no lands within the district may be within the corporate limits or extraterritorial jurisdiction of any other municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 540 (S.B. 1070), Sec. 1, eff. June 16, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8242.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenues or contract payments from any lawful sources other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue
Sec. 8242.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 8242.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with the provisions of Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8242.201. OBLIGATIONS. The district may issue bonds, notes, or other obligations payable in whole or in part from ad valorem taxes, impact fees, revenues, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8242.202. TAXES FOR BONDS. At the time bonds payable in whole or in part from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and
(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 540 (S.B. 1070), Sec. 1, eff. June 16, 2007.

CHAPTER 8243. LANNIUS MUNICIPAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8243.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Lannius Municipal Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8243.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Fannin County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8243.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8243.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 620, Acts
of the 63rd Legislature, Regular Session, 1973, as that territory may have been modified under:

1. Subchapter H, Chapter 54, Water Code;
2. Subchapter J, Chapter 49, Water Code; or
3. other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

1. the district's organization, existence, or validity;
2. the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. the district's right to impose a tax; or
4. the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8243.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

### SUBCHAPTER C. POWERS

Sec. 8243.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred and imposed by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8243.102. WATER AND SEWER SYSTEMS. The district may:

1. acquire an existing water system that serves all or
(2) enter into a contract with the owner of a system described by Subdivision (1) under which the owner agrees:
   (A) to operate and maintain all or part of the district's facilities;
   (B) to provide billing for utility service supplied by district facilities;
   (C) not to provide water service to a customer who is subject to the sanitary sewer service supplied by district facilities but who has not paid for that sewer service; and
   (D) to any other agreement required to assure adequate maintenance of district facilities and provide money to pay district obligations.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8244. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 104
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8244.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Montgomery County Municipal Utility District No. 104.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

Sec. 8244.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

Sec. 8244.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit...
from the improvements and services to be provided by the district.

(b) The district is created to accomplish:

(1) the purposes of a municipal utility district as provided by general law; and

(2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of arterial or main feeder roads or improvements in aid of those roads.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

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Sec. 8244.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

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SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8244.021. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Patrick S. Graham;

(2) Kyle Rhoden;

(3) James H. Ragan;

(4) Karen Strong; and

(5) Antonio J. Padua.

(b) Temporary directors serve until the earlier of:

(1) the date initial directors are elected under Section
(2) September 1, 2013.

(c) If initial directors have not been elected under Section 8244.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date initial directors are elected under Section 8244.023; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 407 (S.B. 323), Sec. 1, eff. June 14, 2013.

Sec. 8244.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

Sec. 8244.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. Not later than the second anniversary of the organizational meeting held under Section 8244.022, the temporary directors shall hold an
election to confirm the creation of the district and to elect five initial directors as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

Sec. 8244.024. INITIAL ELECTED DIRECTORS; TERMS. Unless the initial board otherwise agrees, the directors elected under Section 8244.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8244.052 and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8244.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except for temporary or initial directors, directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

Sec. 8244.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8244.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59,
Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

Sec. 8244.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may acquire, construct, or finance a road that meets the criteria or requirements for a thoroughfare, arterial, or collector road of the county in which the road is located or the municipality in whose corporate limits or extraterritorial jurisdiction the road is located or improvements in aid of that road.

(b) A road project must meet all applicable standards, regulations, and ordinances of the municipality or county in whose jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

Sec. 8244.103. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

Sec. 8244.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the
municipality that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8244.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

Sec. 8244.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8244.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8244.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.
Sec. 8244.202. BONDS FOR ROAD PROJECTS. (a) The district may not issue bonds to finance projects authorized by Section 8244.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(b) Bonds or other obligations issued or incurred to finance projects authorized by Section 8244.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

Sec. 8244.203. BONDS FOR RECREATIONAL FACILITIES. If authorized at an election under Section 8244.151, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.

Sec. 8244.204. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 960 (H.B. 4046), Sec. 1, eff. June 15, 2007.
For contingent expiration of this chapter, see Section 8245.003.

CHAPTER 8245. HARDIN STORE ROAD MUNICIPAL UTILITY DISTRICT NO. 1 OF MONTGOMERY COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8245.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Hardin Store Road Municipal Utility District No. 1 of Montgomery County.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff. September 1, 2007.

Sec. 8245.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff. September 1, 2007.

Sec. 8245.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8245.024 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Montgomery County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff. September 1, 2007.

Sec. 8245.004. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

1. the organization, existence, or validity of the district;
2. the right of the district to impose taxes;
3. the validity of the district's bonds, notes, or indebtedness; or
4. the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8245.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff. September 1, 2007.

Sec. 8245.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8245.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8245.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff. September 1, 2007.

Sec. 8245.103. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTION. The district shall comply with all applicable requirements of any resolution adopted by the governing body of a municipality under Section 54.016, Water Code, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff. September 1, 2007.

Sec. 8245.104. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational"
facilities in the manner provided by Subchapter N, Chapter 49, Water
Code.

(c) The district may not, for the development or maintenance of
a recreational facility, acquire by condemnation land, an easement,
or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff.
September 1, 2007.

**SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS**

Sec. 8245.151. TAX TO REPAY BONDS. The district may impose a
tax to pay the principal of or interest on bonds issued under Section
8245.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff.
September 1, 2007.

**SUBCHAPTER E.  BONDS**

Sec. 8245.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by
Chapters 49 and 54, Water Code, to finance the construction,
maintenance, or operation of projects under Sections 8245.101 and
8245.102.

(b) The district must hold an election in the manner provided
by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds to finance projects
authorized by Section 8245.102 unless the issuance is approved by a
vote of a two-thirds majority of the voters of the district voting at
an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance
projects authorized by Section 8245.102 may not exceed one-fourth of
the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff.
September 1, 2007.

Sec. 8245.202. BONDS FOR RECREATIONAL FACILITIES. If
authorized at an election under Section 8245.201(b), the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities under Section 8245.104.

Added by Acts 2007, 80th Leg., R.S., Ch. 578 (S.B. 1946), Sec. 1, eff. September 1, 2007.

CHAPTER 8246. LAVACA COUNTY FLOOD CONTROL DISTRICT NO. 3
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8246.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Lavaca County Flood Control District No. 3.
(4) "President" means the president of the board.
(5) "Secretary" means the secretary of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.002. NATURE OF DISTRICT. (a) The district is a municipal utility district and a conservation and reclamation district as provided by this chapter.
(b) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.003. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 95, Acts of the 56th Legislature, Regular Session, 1959, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8246.051. COMPOSITION OF BOARD. The board is composed of five elected directors who serve staggered terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.052. DIRECTOR'S BOND; TREASURER'S BOND. (a) Each director shall give bond in the amount of $1,000 for the faithful performance of the director's duties.

(b) The treasurer of the district shall give bond in the amount of $2,500 for the faithful performance of the treasurer's duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.053. OFFICIAL ACTIONS; QUORUM. (a) The board shall perform official actions by resolution.

(b) Two-thirds of the board constitutes a quorum for the transaction of any business of the district.

(c) A majority vote of those present is sufficient in any official action, including final passage and enactment of a resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.054. BOARD MEETINGS. (a) The board shall hold regular meetings at least once every three months. The dates of regular meetings must be established in the district's bylaws or by resolution.

(b) The president or any three directors may call a special meeting as necessary to administer district business. At least five days before the date of a special meeting, the secretary must mail notice of the meeting to the address each director filed with the
secretary. A director may waive in writing notices of special meetings.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.055. BOARD COMPENSATION FOR ATTENDING MEETINGS. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code:

(1) each director is entitled to receive a fee of $20 for attending each board meeting; and

(2) a director may not be paid more than $40 for meetings held in one calendar month.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.056. OFFICERS. (a) The president shall perform those functions that are customarily incident to the office of president.

(b) The vice president shall act as president in case of the inability, absence, or failure of the president to act.

(c) The secretary may be a director or an individual who is not a director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8246.101. MUNICIPAL UTILITY DISTRICT POWERS; GENERAL POWERS. (a) The district has and may exercise the powers, functions, duties, and privileges provided by general law applicable to a municipal utility district, including those conferred by Chapters 49 and 54, Water Code.

(b) The district may exercise the rights, privileges, and functions provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
Sec. 8246.102. EMINENT DOMAIN. The district may exercise the power of eminent domain inside district boundaries to acquire property of any kind, or an interest in property, necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.103. CONTRACTS AND WARRANTS. The district may enter into contracts and issue warrants payable from current funds under the applicable provisions of Chapter 252, Local Government Code, that relate to a municipality with a population of less than 5,000, to the extent those provisions are not in conflict with this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER D. FLOOD CONTROL

Sec. 8246.151. FLOOD CONTROL POWERS AND DUTIES. The district may:

(1) exercise a power, right, privilege, or function conferred by general law on a flood control district created under Section 59, Article XVI, Texas Constitution, as applicable to Lavaca County and essential to the flood control project;

(2) devise plans and construct works to lessen and control floods;

(3) reclaim land in the district;

(4) prevent the deposit of silt in navigable streams;

(5) remove natural or artificial obstructions from streams and other watercourses;

(6) regulate the flow of surface and floodwaters;

(7) provide drainage essential to the flood control project;

(8) acquire, by gift, devise, purchase, or condemnation, land, a right or interest in land, or any other character of property...
needed to carry on the work of flood control;

(9) sell, trade, or otherwise dispose of land or other property, or a right in the property, no longer needed for the flood control project or flood control purposes;

(10) use the bed and banks of a bayou, river, or stream in the district, subject to the concurrence of the Texas Commission on Environmental Quality;

(11) authorize its officers, employees, or agents to enter any land in the district to make or examine a survey in connection with a flood control plan or project or for any other authorized purpose;

(12) overflow or inundate any public land or public property, and require the relocation of a road or highway, in the manner and to the extent permitted to a district organized under general law under Section 59, Article XVI, Texas Constitution, subject to the concurrence of the state agency with jurisdiction over the land or property or the Texas Transportation Commission, as applicable;

(13) appoint a flood control manager and any agents or employees of the county as necessary for flood control purposes, including an engineer and counsel, prescribe their duties, and set the amounts of their bonds and compensation;

(14) cooperate or contract with the United States to receive and use money from a grant, loan, or advancement to exercise a power or further a purpose under this chapter;

(15) contribute to the United States in connection with any project undertaken by the United States that affects or relates to flood control in Lavaca County;

(16) cooperate or contract with an agency or political subdivision of this state, including a municipality in Lavaca County, in relation to:

(A) a survey;
(B) the acquisition of land or a right-of-way; or
(C) the construction, maintenance, or financing of all or part of a project in connection with any matter within the scope of this chapter;

(17) contract with an agency or political subdivision of this state, including a municipality in Lavaca County, for the imposition of taxes on behalf of and for the benefit of the district;

(18) sue and be sued under the laws of this state; and
(19) perform any act necessary or proper to carry out the powers described by this section or Section 8246.152.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.152. EASEMENT OVER AND RELOCATION OF ROADS. The district has a right-of-way and easement over and across a road or highway of this state or a subdivision of this state for the construction or maintenance of a district flood control project, subject to the concurrence of the Texas Transportation Commission if the project requires the relocation or bridging of a state highway.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.153. MAINTENANCE OF FEDERAL FLOOD CONTROL PROJECTS. The district is entitled to maintain a flood control project constructed in Lavaca County by the United States if the project:
   (1) extends wholly or partly into the district or is within five miles of the boundaries of the district; and
   (2) is considered by the board to protect property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS**

Sec. 8246.201. PETITION AND ELECTION AUTHORIZING AD VALOREM TAX; TAX LIMIT. (a) The board may impose on all taxable property in the district an annual tax at a rate not to exceed 15 cents on the $100 valuation.

(b) Before an election is held on the ad valorem tax proposition, a petition for the tax must be presented to the board. The petition must be signed by 10 percent of the registered voters who own taxable property in the district.

(c) The petition, election order, and notice of the election must state:
(1) the specific tax rate to be voted on or that the rate may not exceed the limit under Subsection (a); and

(2) one or more of the purposes authorized by this chapter for which the tax money may be spent.

(d) The total amount of all taxes imposed by the district for all purposes may not exceed 15 cents on the $100 valuation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.202. NOTICE FOR AND MANNER OF HOLDING AD VALOREM TAX ELECTION. (a) Notice of an election under Section 8246.201 must be published once each week for two weeks in a newspaper that is published in Lavaca County and has general circulation in the district.

(b) The date of the first publication of notice must be not less than 20 days and not more than 30 days before the date of the election.

(c) The presiding judge for each voting place shall appoint the necessary judges and clerks to assist the presiding judge in holding the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.203. TAX LAWS APPLICABLE. The laws of this state relating to the imposition of ad valorem taxes and collection of delinquent taxes by a water control and improvement district apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER F. BONDS

Sec. 8246.251. PETITION FOR BOND ELECTION. (a) A petition requesting an election on the proposition of the issuance of bonds for any purpose authorized in this chapter may be presented to the board.
(b) The petition must be signed by at least 50 registered, property tax paying voters residing in the district.

(c) The petition must state:

(1) the amount of bonds to be voted on;
(2) the general nature of the work to be done;
(3) the necessity for and feasibility of the work;
(4) the estimated cost; and
(5) the operating costs.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.252. DATE AND NOTICE OF PETITION HEARING. (a) The board shall set a date for a public hearing on the petition that is not more than 30 days after the date the petition is filed with the board.

(b) Notice of the hearing must be published once a week for two consecutive weeks in a newspaper of general circulation in the district. The first publication of notice must be not less than 20 days before the date of the hearing.

(c) The secretary shall post or cause to be posted for at least 15 days before the date of the hearing a copy of the notice at the courthouse door of Lavaca County and at three other public places in the district that will give reasonable notice throughout the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8246.253. HEARING AND DETERMINATION ON PETITION. (a) The board shall consider and determine all matters brought before the board at the hearing.

(b) If the board determines that the proposed improvements are feasible and practicable and a benefit to the public, the board shall grant the petition and order the requested election. If the board refuses the petition, the board's reasons must be stated in the minutes of the board. The board's decision is final.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
Sec. 8246.254. ELECTION FOR, ISSUANCE OF, AND SALE OF BONDS.  
(a) Except as provided by this section, the election for, issuance of, and sale of district bonds are governed by the provisions of Chapters 1201, 1207, 1251, and 1431, Government Code, that pertain to the election for, issuance of, and sale of bonds by counties.  
(b) As determined by the board, district bonds mature serially not later than 30 years after the date of their issuance.  
(c) District bonds may be sold only by sealed competitive bids to the highest bidder.  
(d) Notice of a proposed sale must be published in a financial publication of general circulation in this state once a week for two consecutive weeks. The date of the first publication must be at least 15 days before the date of the proposed sale.  
(e) District bonds must be signed by the president and attested by the secretary.  

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8247.001. DEFINITIONS. In this chapter:  
(1) "Board" means the board of directors of the district.  
(2) "Director" means a member of the board.  
(3) "District" means the York Valley Municipal Utility District.  

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

Sec. 8247.002. NATURE OF DISTRICT. The district is a municipal utility district in Guadalupe County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.  

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff.
Sec. 8247.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

Sec. 8247.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district.

(b) The district is created to accomplish:

(1) the purposes of a municipal utility district as provided by general law; and

(2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads, or improvements in aid of those roads.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

Sec. 8247.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8247.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8247.052, directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8247.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

Sec. 8247.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads.

(b) A road project must meet all applicable standards, regulations, and ordinances of the municipality or county in whose jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

Sec. 8247.103. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) Any new district created by the division of the district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owners of a majority of the assessed value of real property in the district according to the most recent certified appraisal roll for the county in which the district is located, may adopt an order dividing the district.

(e) An order dividing the district shall:

1. name each new district;
2. include the metes and bounds of each new district;
3. appoint temporary directors for each new district; and
4. provide for the division of assets and liabilities between each new district.

(f) On or before the 30th day after the adoption of an order dividing the district, the district shall file the order dividing the district with the Texas Commission on Environmental Quality and record the order in the real property records of the county in which the district is located.

(g) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 49.102, Water Code.

(h) Any new district created by the division of the district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

Sec. 8247.104. FIREFIGHTING AND EMERGENCY MEDICAL SERVICES.

(a) The district may establish, operate, and maintain, or contract with another political subdivision for the joint operation of, a fire department to perform all firefighting and emergency medical services
in the district in accordance with Subchapter L, Chapter 49, Water Code.

(b) The district may issue bonds or impose a mandatory fee, with voter approval, for financing a fire plan approved in accordance with Section 49.351, Water Code, including the construction and purchase of necessary buildings, facilities, land, and equipment and the provision of an adequate water supply.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8247.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

Sec. 8247.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8247.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8247.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or
other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds to finance projects authorized by Section 8247.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8247.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

Sec. 8247.202. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 196 (S.B. 1982), Sec. 1, eff. May 23, 2007.

For contingent expiration of this chapter, see Section 8248.004.

CHAPTER 8248. RANDALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8248.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Randall County Municipal Utility District No. 1.
Sec. 8248.002. NATURE OF DISTRICT. The district is a municipal utility district in Randall County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8248.003. FINDING OF PUBLIC USE AND BENEFIT. The district is created to serve a public use and benefit.

Sec. 8248.004. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8248.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Randall County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.
Sec. 8248.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes; or

(3) the legality or operation of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1, eff. June 15, 2007.

Added by Acts 2007, 80th Leg., R.S., Ch. 1142 (H.B. 4111), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8248.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1, eff. June 15, 2007.

Added by Acts 2007, 80th Leg., R.S., Ch. 1142 (H.B. 4111), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8248.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1, eff. June 15, 2007.
Sec. 8248.102. ANNEXATION. The district or any new district created by the division of the district may not annex the property of a landowner before obtaining written consent from the landowner. The annexation of the property must be completed by the district not later than one year after the district's receipt of the landowner's written consent. A landowner may revoke the landowner's consent to annexation before annexation by notifying the district in writing that the consent is revoked. A landowner's petition for annexation that meets the requirements of Chapter 49 or 54, Water Code, shall be considered as the landowner's written consent for the purposes of this section.

Sec. 8248.103. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, in the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not undertake a road
project unless each county in which the district is located consents by resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1142 (H.B. 4111), Sec. 1, eff. June 15, 2007.

Sec. 8248.104. ROAD CONTRACTS. The district may contract for a road project in the manner provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1142 (H.B. 4111), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8248.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8248.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1142 (H.B. 4111), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS

Sec. 8248.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Sections 8248.101 and 8248.103.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8248.103 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.
(c) Bonds or other obligations issued or incurred to finance
projects authorized by Section 8248.103 may not exceed one-fourth of
the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1,
Added by Acts 2007, 80th Leg., R.S., Ch. 1142 (H.B. 4111), Sec. 1,

SUBCHAPTER F.  DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8248.251.  DIVISION OF DISTRICT; REQUIREMENTS.  (a) At any
time before the district issues indebtedness secured by taxes or net
revenue, the district may be divided into two or more new districts.
(b) A new district created by division of the district must be
at least 100 acres.
(c) The board may consider a proposal to divide the district
on:
(1) a petition of a landowner in the district; or
(2) a motion by the board.
(d) If the board decides to divide the district, the board
shall:
(1) set the terms of the division, including names for the
new districts and a plan for the payment or performance of any
outstanding district obligations; and
(2) prepare a metes and bounds description for each
proposed district.
(e) Any new district created by the division of the district
may not, at the time the new district is created, contain any land
outside the area described by Section 2 of the Act creating this
chapter.  After its creation, a new district may annex property in
accordance with this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1,
Added by Acts 2007, 80th Leg., R.S., Ch. 1142 (H.B. 4111), Sec. 1,

Sec. 8248.252.  ELECTION FOR DIVISION OF DISTRICT.  (a) After
the board has complied with Section 8248.251(d), the board shall hold

Statute text rendered on: 6/18/2019 - 6000 -
an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election in the same manner required for other district elections prescribed by the Water Code and Election Code.

(c) If a majority of the votes cast are in favor of the division:

(1) the district is divided; and
(2) not later than the 30th day after the date of the election, the district shall provide written notice of the division to:

(A) the Texas Commission on Environmental Quality;
(B) the attorney general;
(C) the commissioners court of each county in which a new district is located; and
(D) any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes cast are not in favor of the division, the district may not be divided.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1142 (H.B. 4111), Sec. 1, eff. June 15, 2007.

Sec. 8248.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:

(1) appoint itself as the board of one of the new districts; and
(2) appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, the appointed board shall hold an election to elect five directors in
each district for which directors were appointed under Subsection (a)(2). The elected directors shall draw lots to determine which two shall serve until the next regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1142 (H.B. 4111), Sec. 1, eff. June 15, 2007.

Sec. 8248.254. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenue or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 8248.251(d).

(c) Any other district obligation is divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1142 (H.B. 4111), Sec. 1, eff. June 15, 2007.

Sec. 8248.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or
(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2007, 80th Leg., R.S., Ch. 1003 (S.B. 2020), Sec. 1, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1142 (H.B. 4111), Sec. 1,

CHAPTER 8249.  CASE CREEK MUNICIPAL UTILITY DISTRICT NO. 1 OF GRAYSON COUNTY

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8249.001.  DEFINITIONS.  In this chapter:
(1)  "Board" means the district's board of directors.
(2)  "Commission" means the Texas Commission on Environmental Quality.
(3)  "Director" means a board member.
(4)  "District" means the Case Creek Municipal Utility District No. 1 of Grayson County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.004.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  (a)  The district is created to serve a public purpose and benefit.
(b)  The district is created to accomplish the purposes of:
(1)  a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2)  Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 3.02 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 3.02 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8249.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8249.052, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2011, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission
shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8249.003; or
   (2) September 1, 2015.

(c) If permanent directors have not been elected under Section 8249.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8249.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8249.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8249.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.105. COSTS OF ROAD PROJECT. The district shall bear the cost of maintaining, improving, operating, and repairing a road located in the district and authorized by Section 8249.103 in accordance with all applicable ordinances and rules of the political subdivision authorized to exercise jurisdiction over the road, regardless of whether the district conveys the road to this state, a county, or a municipality.
Sec. 8249.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8249.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Sec. 8249.107. LIMITATION ON WATER SUPPLY AND WASTEWATER SERVICES; USE OF DISTRICT FACILITIES BY TWO WAY SPECIAL UTILITY DISTRICT. (a) The district may not act as a retail provider of water or wastewater services in the district except as provided by this section.

(b) Except as provided by Subsection (c), the district shall convey or otherwise assign the district's water supply facilities and wastewater facilities to Two Way Special Utility District.

(c) If Two Way Special Utility District refuses or is unable to provide water supply or wastewater service to customers located in the district, the district may retain the necessary facilities and provide water supply or wastewater service, as applicable, to those customers.

Sec. 8249.151. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS. The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
Sec. 8249.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.153. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 3.02 of the Act enacting this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.154. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8249.003 to confirm the district's creation.

(c) An order dividing the district must:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between the new districts.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.
Sec. 8249.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8249.003. (b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.156. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8249.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8249.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.
Sec. 8249.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8249.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8249.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by
Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

Sec. 8249.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 3.01, eff. September 1, 2011.

CHAPTER 8250. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 473

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8250.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Municipal Utility District No. 473.

Added by Acts 2007, 80th Leg., R.S., Ch. 1127 (H.B. 4038), Sec. 1, eff. June 15, 2007.

Sec. 8250.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district, to the extent authorized by Section 8250.052 of this code and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 1127 (H.B. 4038), Sec. 1, eff. June 15, 2007.
Sec. 8250.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1127 (H.B. 4038), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8250.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
(a) The district has the powers and duties necessary to accomplish the purposes for which the district is created. This chapter does not limit the district's powers existing before the effective date of the Act enacting this chapter.

(b) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1127 (H.B. 4038), Sec. 1, eff. June 15, 2007.

Sec. 8250.052. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:
   (1) a county in whose jurisdiction the proposed road project is located; or
   (2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.
   (c) The district may finance, construct, or acquire a thoroughfare, arterial, or collector road that has been certified by
the licensed engineer, or any improvements in aid of the road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and

(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or

(2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1127 (H.B. 4038), Sec. 1, eff. June 15, 2007.


SUBCHAPTER C. BONDS

Sec. 8250.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for road projects.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) The total principal amount of bonds, notes, or other obligations issued or incurred to finance road projects may not exceed one-fourth of the assessed value of the real property in the district according to the most recent certified appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1127 (H.B. 4038), Sec. 1, eff. June 15, 2007.

For contingent expiration of this chapter, see Section 8251.004.

CHAPTER 8251.  KING’S CROSSING MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8251.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the King’s Crossing Municipal Utility District of Grayson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

Sec. 8251.002.  NATURE OF DISTRICT.  The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

Sec. 8251.003.  FINDING OF PUBLIC USE AND BENEFIT.  The district is created to serve a public use and benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

Sec. 8251.004.  CONFIRMATION ELECTION REQUIRED.  If the creation of the district is not confirmed at a confirmation election held under Section 8251.024 before September 1, 2009:

(1) the district shall, as soon as it reasonably knows the district will not be confirmed and before September 1, 2009:
(A) pay any debts incurred; and
(B) transfer to Grayson County any assets that remain after the payment of debts;

(2) the district is dissolved September 1, 2009; and
(3) this chapter expires September 1, 2009.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

Text of section as added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1

Sec. 8251.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

Text of section as added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01

Sec. 8251.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 5.02 of the article creating this chapter.

(b) The boundaries and field notes contained in Section 5.02 of the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the
district;

(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8251.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8251.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

Sec. 8251.102. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or improvements in aid of those roads, inside or outside the district.
(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a
municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

Sec. 8251.103. ROAD CONTRACTS. The district may contract for a road project in the manner provided by Subchapter I, Chapter 49, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

Sec. 8251.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY OUTSIDE CORPORATE LIMITS OF MUNICIPALITY. If district territory, or a portion of district territory, is located outside the corporate limits of a municipality, the district shall:

(1) maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located; and

(2) pay for the cost of performing the district's duties under Subdivision (1).

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8251.151. OPERATION AND MAINTENANCE TAX. The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

Sec. 8251.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8251.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

Sec. 8251.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code;
(4) a cable operator as defined by 47 U.S.C. Section 522; or
(5) a person who provides to the public advanced telecommunications services.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1,

SUBCHAPTER E. BONDS

Sec. 8251.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Section 8251.102.
(b) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money.
(c) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8251.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.
(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8251.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 5.01, eff. June 15, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1137 (H.B. 4096), Sec. 1, eff. June 15, 2007.

For contingent expiration of this chapter, see Section 8252.003.

CHAPTER 8252. MCKINNEY MUNICIPAL UTILITY DISTRICT NO. 2 OF COLLIN COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8252.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the McKinney Municipal Utility District No. 2 of Collin County.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.
Sec. 8252.002. NATURE OF DISTRICT. The district is a municipal utility district in Collin County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8252.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8252.024 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that:
(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Collin County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8252.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 3 of the Act creating this chapter.
(b) The boundaries and field notes of the district, as described by Section 3 of the Act creating this chapter, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8252.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8252.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8252.101. GENERAL POWERS. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8252.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.
(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances or orders of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.
(c) If the district is located outside the territorial
jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(d) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8252.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of McKinney.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

Sec. 8252.104. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) A new district, at the time it is created by the division of the district, may not contain land outside the area described by Section 3 of the Act creating this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8252.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section
Sec. 8252.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8252.101 and 8252.102.  
(b) The district may not issue bonds to finance projects authorized by Section 8252.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.  
(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8252.102 may not exceed one-fourth of the assessed value of the real property in the district.  

Added by Acts 2007, 80th Leg., R.S., Ch. 943 (H.B. 3979), Sec. 1, eff. September 1, 2007.
CHAPTER 8253.  FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 58

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8253.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a board member.

(3) "District" means the Fort Bend County Municipal Utility District No. 58.

Added by Acts 2007, 80th Leg., R.S., Ch. 790 (H.B. 4022), Sec. 1, eff. June 15, 2007.

Sec. 8253.002.  NATURE OF DISTRICT.  (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8253.052 and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 790 (H.B. 4022), Sec. 1, eff. June 15, 2007.

Sec. 8253.003.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 790 (H.B. 4022), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B.  POWERS AND DUTIES

Sec. 8253.051.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

(a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59,
Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 790 (H.B. 4022), Sec. 1, eff. June 15, 2007.

Sec. 8253.052. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or
(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a road that has been certified by the licensed engineer as a thoroughfare, arterial, or collector road, or any improvements in aid of the road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and
(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or
(2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 790 (H.B. 4022), Sec. 1, eff. June 15, 2007.
SUBCHAPTER C.  BONDS

Sec. 8253.101.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS.  (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for road projects as provided by Section 8253.052.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election held for that purpose.

(c) The total principal amount of bonds, notes, or other obligations issued or incurred to finance the road projects may not exceed one-fourth of the assessed value of the real property in the district according to the most recent certified appraisal roll for Fort Bend County.


For contingent expiration of this chapter, see Section 8254.003.

CHAPTER 8254.  PRESTON SUMMIT MUNICIPAL UTILITY DISTRICT NO. 1 OF GRAYSON COUNTY

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8254.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Preston Summit Municipal Utility District No. 1 of Grayson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1139 (H.B. 4099), Sec. 1, eff. September 1, 2007.

Sec. 8254.002.  NATURE OF DISTRICT.  The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59,
Sec. 8254.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8254.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Grayson County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.

Sec. 8254.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8254.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1139 (H.B. 4099), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8254.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1139 (H.B. 4099), Sec. 1, eff. September 1, 2007.

Sec. 8254.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.
(b) The district may not provide retail water or wastewater services.

Added by Acts 2007, 80th Leg., R.S., Ch. 1139 (H.B. 4099), Sec. 1, eff. September 1, 2007.

Sec. 8254.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.
(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1139 (H.B. 4099), Sec. 1,
Sec. 8254.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1139 (H.B. 4099), Sec. 1, eff. September 1, 2007.

Sec. 8254.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:

(1) outside the area described by Section 2 of the Act creating this chapter; or

(2) outside the corporate limits of the city of Gunter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1139 (H.B. 4099), Sec. 1, eff. September 1, 2007.

Sec. 8254.106. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1139 (H.B. 4099), Sec. 1, eff. September 1, 2007.
Sec. 8254.107. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.

(b) Section 43.075, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1139 (H.B. 4099), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8254.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8254.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1139 (H.B. 4099), Sec. 1, eff. September 1, 2007.

SUBCHAPTER E. BONDS

Sec. 8254.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8254.101 or 8254.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8254.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8254.103 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1139 (H.B. 4099), Sec. 1, eff. September 1, 2007.

CHAPTER 8255. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 416

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8255.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Municipal Utility District No. 416.

Added by Acts 2007, 80th Leg., R.S., Ch. 1125 (H.B. 4018), Sec. 1, eff. June 15, 2007.

Sec. 8255.002. NATURE OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district, to the extent authorized by Section 8255.052 of this code and Section 52, Article III, Texas Constitution, has road powers.

Added by Acts 2007, 80th Leg., R.S., Ch. 1125 (H.B. 4018), Sec. 1, eff. June 15, 2007.

Sec. 8255.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All land and other property in the district will benefit from the improvements and services to be provided by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1125 (H.B. 4018), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8255.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

(a) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

(b) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1125 (H.B. 4018), Sec. 1, eff. June 15, 2007.
Sec. 8255.052. ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may finance, construct, or acquire a road project as provided by this section.

(b) The district shall employ or contract with a licensed engineer to certify whether a proposed road project meets the criteria for a thoroughfare, arterial, or collector road of:

(1) a county in whose jurisdiction the proposed road project is located; or

(2) a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

(c) The district may finance, construct, or acquire a thoroughfare, arterial, or collector road that has been certified by the licensed engineer, or any improvements in aid of the road.

(d) A road project must meet all applicable standards, regulations, ordinances, or orders of:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; and

(2) each county in which the road project is located if the road project is not located in the corporate limits of a municipality.

(e) The district may, with the consent of the municipality or county, convey a completed road project to:

(1) a municipality in whose corporate limits or extraterritorial jurisdiction the road project is located; or

(2) a county in which the road project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1125 (H.B. 4018), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. BONDS

Sec. 8255.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for road projects under Section 8255.052.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.
(c) The total principal amount of bonds, notes, or other obligations issued or incurred to finance road projects may not exceed one-fourth of the assessed value of the real property in the district according to the most recent certified appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1125 (H.B. 4018), Sec. 1, eff. June 15, 2007.

For contingent expiration of this chapter, see Section 8256.003.

CHAPTER 8256. PLATINUM RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8256.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Platinum Ranch Municipal Utility District No. 1 of Grayson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

Sec. 8256.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

Sec. 8256.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8256.055 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that:

    (A) any debts incurred shall be paid;
    (B) any assets that remain after the payment of debts shall be transferred to Grayson County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

Sec. 8256.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 6.02 of the article creating this chapter.

(b) The boundaries and field notes contained in Section 6.02 of the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or other indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

Sec. 8256.005. ANNEXATION INTO CITY OF GUNTER. (a) Notwithstanding any other law, if all of the territory of the district is annexed by the City of Gunter into the corporate limits of that municipality before the date of the election held to confirm the creation of the district, the district is not dissolved and shall continue in full force and effect.

(b) Any future annexation or inclusion of additional territory into a district governed by this chapter may not occur unless the City of Gunter is allowed to voluntarily annex the same territory into the municipality's corporate limits.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.
Sec. 8256.006. DISSOLUTION. Section 43.074, Local Government Code, applies to the dissolution of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8256.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Except as provided by Section 8256.053, directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

Sec. 8256.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

Sec. 8256.054. INCORPORATION OF DISTRICT TERRITORY INTO MUNICIPALITY REQUIRED. The directors may not hold an election under Section 8256.055 until all of the territory of the district is included in the corporate limits of the City of Gunter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

Sec. 8256.055. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. The initial directors shall hold an election to confirm the creation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8256.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) Notwithstanding Subsection (a), the district may not act as a retail provider of water or wastewater service.

(c) The district shall make the district's water and wastewater facilities available to an entity holding the applicable certificate of convenience and necessity.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

Sec. 8256.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads, inside the district.

(b) A road project must meet all applicable construction standards, subdivision requirements, and regulatory ordinances of the municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(c) If a portion of the territory of the district is excluded from the corporate limits of the City of Gunter, the district shall:

(1) improve, maintain, repair, and operate the roads located in that portion of territory in accordance with the ordinances and rules of the political subdivision possessing jurisdiction over the roads in that portion of territory; and

(2) pay the entire cost of performing the district's duties under Subdivision (1).

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

Sec. 8256.103. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if:

(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) each new district is within the corporate limits of the City of Gunter.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) At the time of creation, any new district created by the division of the district may not contain any land outside the area described by Section 6.02 of the article creating this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8256.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8256.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.

**SUBCHAPTER E. BONDS**

Sec. 8256.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8256.101 or 8256.102.

(b) The district may not issue bonds to finance projects authorized by Section 8256.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8256.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 6.01, eff. September 1, 2007.
For contingent expiration of this chapter, see Section 8257.003.

CHAPTER 8257.  MAGNOLIA WOODS MUNICIPAL UTILITY DISTRICT NO. 1 OF MONTGOMERY, WALLER, AND GRIMES COUNTIES

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8257.001.  DEFINITIONS.  In this chapter:
(1)  "Board" means the district's board of directors.
(2)  "Director" means a board member.
(3)  "District" means the Magnolia Woods Municipal Utility District No. 1 of Montgomery, Waller, and Grimes Counties.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

Sec. 8257.002.  NATURE OF DISTRICT.  The district is a municipal utility district in Montgomery, Waller, and Grimes Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

Sec. 8257.003.  CONFIRMATION ELECTION REQUIRED.  If the creation of the district is not confirmed at a confirmation election held under Section 8257.024 before September 1, 2011:
(1)  the district is dissolved September 1, 2011, except that the district shall:
   (A)  pay any debts incurred;
   (B)  transfer to Montgomery, Waller, and Grimes Counties any assets that remain after the payment of debts; and
   (C)  maintain the organization of the district until all debts are paid and remaining assets are transferred; and
(2)  this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

Sec. 8257.004.  INITIAL DISTRICT TERRITORY.  (a)  The district is initially composed of the territory described by Section 2 of the
Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or other indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8257.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

Sec. 8257.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8257.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1,
Sec. 8257.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(c) If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, subdivision requirements, and regulatory ordinances of each county in which the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

Sec. 8257.103. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030-53.034, 53.040, and 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

Sec. 8257.105. COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable
requirements of any ordinance or resolution adopted by the governing body of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

Sec. 8257.106. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8257.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8257.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

SUBCHAPTER E. BONDS

Sec. 8257.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8257.101, 8257.102, or 8257.106.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.
Sec. 8257.202. BONDS FOR ROAD PROJECTS. (a) The district may not issue bonds or other obligations to finance projects authorized by Section 8257.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(b) Bonds or other obligations issued or incurred to finance projects authorized by Section 8257.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

Sec. 8257.203. BONDS FOR RECREATIONAL FACILITIES. If authorized at an election under Section 49.4645, Water Code, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities in accordance with Subchapter N, Chapter 49, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1157 (S.B. 2014), Sec. 1, eff. September 1, 2007.

For contingent expiration of this chapter, see Section 8258.003.

CHAPTER 8258. SANGANI RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8258.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Sangani Ranch Municipal Utility District No. 1 of Grayson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 7.01, eff. September 1, 2007.

Sec. 8258.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.
Sec. 8258.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8258.023 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Grayson County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2012.

Sec. 8258.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 7.02 of the article creating this chapter.

(b) The boundaries and field notes contained in Section 7.02 of the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8258.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 7.01, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8258.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 7.01, eff. September 1, 2007.

Sec. 8258.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.

(b) The district may not provide retail water or wastewater services.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 7.01, eff. September 1, 2007.

Sec. 8258.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 7.01, eff. September 1, 2007.
Sec. 8258.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 7.01, eff. September 1, 2007.

Sec. 8258.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:

(1) outside the area described by Section 7.02 of the article creating this chapter; or
(2) outside the corporate limits of the city of Gunter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 7.01, eff. September 1, 2007.

Sec. 8258.106. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.

(b) Section 43.075, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 7.01, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8258.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8258.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 7.01, eff. September 1, 2007.

SUBCHAPTER E. BONDS

Sec. 8258.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8258.101 or 8258.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8258.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8258.103 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 7.01, eff. September 1, 2007.

CHAPTER 8259. LONGHORN TOWN UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8259.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Longhorn Town Utility District of Harris County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8259.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.
Sec. 8259.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8259.004. DISTRICT TERRITORY.  (a) The district is composed of the territory described by Section 4, Chapter 659, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bonds for a purpose for which the district is created or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8259.051. COMPOSITION OF BOARD. The board of directors is
composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8259.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**CHAPTER 8260. LOUETTA NORTH PUBLIC UTILITY DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8260.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.

(3) "District" means the Louetta North Public Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8260.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8260.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI,
Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8260.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 685, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8260.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8260.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by
general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8261. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 112

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8261.001. DEFINITION. In this chapter, "district" means the Montgomery County Municipal Utility District No. 112.

Added by Acts 2007, 80th Leg., R.S., Ch. 1140 (H.B. 4104), Sec. 1, eff. September 1, 2007.

Sec. 8261.002. NATURE OF DISTRICT. The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1140 (H.B. 4104), Sec. 1, eff. September 1, 2007.

Sec. 8261.003. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, the following laws apply to the district:

(1) Chapters 49 and 54, Water Code, including Subchapter J, Chapter 54, Water Code, notwithstanding the limitation on authorization based on acreage under Section 54.801 of that code; and
(2) Section 52(b)(3), Article III, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1140 (H.B. 4104), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8261.051. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.
(b) A road project must meet all applicable construction standards and regulatory ordinances of each municipality or county in whose jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1140 (H.B. 4104), Sec. 1, eff. September 1, 2007.

Sec. 8261.052. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of a municipality that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1140 (H.B. 4104), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8261.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8261.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 1140 (H.B. 4104), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. BONDS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 2590, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8261.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of a project under Section 8261.051.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8261.051 unless the issuance is approved by a vote of a two-thirds majority of the district voters, or a two-thirds majority of voters in a defined area that will benefit from the project, as provided by Subchapter J, Chapter 54, Water Code, voting at an election called for that purpose. The
simple majority vote approval required by Section 54.808(a), Water Code, does not apply to an election under this section.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8261.051 may not exceed one-fourth of the assessed value of the real property in the district or the defined area, if applicable.

Added by Acts 2007, 80th Leg., R.S., Ch. 1140 (H.B. 4104), Sec. 1, eff. September 1, 2007.

CHAPTER 8262. LOUETTA ROAD UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8262.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Louetta Road Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the
improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 749, Acts of the 61st Legislature, Regular Session, 1969, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9, Chapter 749, Acts of the 61st Legislature, Regular Session, 1969; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.005. EXPANSION OF DISTRICT. (a) If land is annexed by the district under Section 49.301, Water Code, the board may require the petitioners to:

(1) assume the petitioners' pro rata share of the voted but unissued bonds of the district; and
(2) authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.

(b) If land is annexed by the district under Section 49.302, Water Code, the board may submit to the voters of the area to be annexed a proposition on the question of the assumption by the area
to be annexed of its part of the voted but not yet issued or sold tax or tax-revenue bonds of the district and the imposition of an ad valorem tax on taxable property in the area to be annexed along with a tax in the rest of the district for the payment of the bonds.

(c) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued tax or tax-revenue bonds regardless of changes to district boundaries since the original voting or authorization of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.006. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and duties are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the effect on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8262.051. COMPOSITION OF BOARD. The board consists of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.052. DIRECTOR'S BOND. Each director shall qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8262.053. ABSENCE OR INACTION OF BOARD PRESIDENT. (a) When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter or general law gives the president.

(b) If the board president is absent from a board meeting:

(1) the board vice president may sign an order or other action adopted at the meeting; or

(2) the board may authorize the president to sign the order or implement the action.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.054. DISTRICT OFFICE. (a) Except as provided by this section, the board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by:

(1) filing a copy of the board resolution that establishes the location of the office:

(A) with the Texas Commission on Environmental Quality; and

(B) in the municipal utility district records of each county in which the district is located; and

(2) publishing notice of the location of the office in a newspaper of general circulation in each county in which the district is located.

(c) A district office that is a private residence, office, or dwelling is a public place for matters relating to the district's business.

(d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8262.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has all of the rights, powers, privileges, and functions conferred and imposed by the general law of this state relating to municipal utility districts created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.102. ADDITIONAL POWERS. (a) The district may:
(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, existing improvements, or improvements to be made, constructed, or acquired that are:
(A) inside or outside the district's boundaries; and
(B) necessary to carry out the powers granted by this chapter or general law; or
(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:
(A) the purchase or sale of water;
(B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;
(C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and
(D) the performance of any of the powers granted by this chapter or general law.
(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.103. EMINENT DOMAIN. The district may exercise the
power of eminent domain only:
   (1) in a county in which the district is located; and
   (2) when necessary to carry out the purposes for which the
district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.

Sec. 8262.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power conferred by this chapter makes necessary the relocation, raising, rerouting, changing the grade, or alteration of the construction of a highway, a railroad, an electric transmission line, a telegraph or telephone property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district and a political subdivision may enter into a contract for water, sewer, or drainage services or any combination of those services without the necessity of an election by any contracting party to approve the contract.

(b) The district may pay for an obligation incurred by such a contract by issuing bonds that, if otherwise necessary, have been approved by the voters in the manner provided by this chapter.

(c) The district may deliver the district's bonds to the United States or an agency or instrumentality of the United States, or to this state or an agency or instrumentality of this state, that entered into a contract with the district.
Sec. 8262.106. NOTICE OF ELECTION. The board president or secretary may give notice of an election.

Sec. 8262.107. DISTRICT RULES. The district shall adopt and enforce reasonable and effective rules to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of the district's sewerage system to preserve the quality of water within or controlled by the district.

Sec. 8262.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.
(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.

Sec. 8262.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Sec. 8262.153. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be
delivered:

(1) to each director; and
(2) to a holder of at least 25 percent of the outstanding bonds of the district, on request.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:

(1) district property; or
(2) a purchase made by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.155. DEPOSITORY. (a) The board shall select one or more banks in this state to act as depository for the district's money.

(b) To the extent that money in the depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(c) A director may be a shareholder in a bank that is a depository of district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 8262.201. LOST OR MUTILATED BONDS. A trust indenture securing bonds issued under this chapter may provide for the issuance of bonds to replace lost or mutilated bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8262.202. USE OF BOND PROCEEDS DURING CONSTRUCTION. (a) The district may appropriate or set aside out of the proceeds from the sale of any bonds issued under this chapter an amount for the payment of interest, administrative, and operating expenses expected to accrue during a period of construction, as may be provided in the bond orders or resolutions.

(b) For purposes of this section, the period of construction may not exceed three years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8262.203. REFUNDING BONDS. (a) By order or resolution adopted by the board, the district may issue revenue refunding bonds or tax-revenue refunding bonds to refund revenue bonds or tax-revenue bonds, whether original bonds or refunding bonds, previously issued by the district.

(b) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(c) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the order or resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in the place or places where the bonds to be refunded are payable. In that case, the refunding bonds may be issued if an amount sufficient to pay the principal of and interest on the bonds to be refunded to their maturity dates, or to their option dates if according to their terms the bonds have been called for payment before maturity, has been deposited in the place or places where the bonds to be refunded are payable, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8263.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

Sec. 8263.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district.

(b) The district is created to accomplish:

(1) the purposes of a municipal utility district as provided by general law; and

(2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of arterial or main feeder roads or improvements in aid of those roads.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

Sec. 8263.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

### SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8263.021. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Kirk Laguarta;

(2) Jill Welmer;

(3) Brent Brentzel;

(4) Jenrose Foshee; and

(5) Nathan Giessinger.

(b) Temporary directors serve until the earlier of:

(1) the date initial directors are elected under Section 8263.023; or

(2) September 1, 2013.

(c) If initial directors have not been elected under Section 8263.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date initial directors are elected under Section 8263.023; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.
Sec. 8263.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

Sec. 8263.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. Not later than the second anniversary of the organizational meeting held under Section 8263.022, the temporary directors shall hold an election to confirm the creation of the district and to elect five initial directors as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

Sec. 8263.024. INITIAL ELECTED DIRECTORS; TERMS. Unless the initial board otherwise agrees, the directors elected under Section 8263.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8263.052 and which three shall serve until the second regularly scheduled election of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8263.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Except for temporary or initial directors, directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

Sec. 8263.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8263.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

Sec. 8263.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may acquire, construct, or finance a road that meets the criteria or requirements for a thoroughfare, arterial, or collector road of the county in which the road is located or the municipality in whose corporate limits or extraterritorial jurisdiction the road is located or improvements in aid of that road.

(b) A road project must meet all applicable standards, regulations, and ordinances of the municipality or county in whose jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.
Sec. 8263.103. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

Sec. 8263.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the municipality that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8263.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.
Sec. 8263.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8263.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8263.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

Sec. 8263.202. BONDS FOR ROAD PROJECTS. (a) The district may not issue bonds to finance projects authorized by Section 8263.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(b) Bonds or other obligations issued or incurred to finance projects authorized by Section 8263.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

Sec. 8263.203. BONDS FOR RECREATIONAL FACILITIES. If authorized at an election under Section 8263.151, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff.
Sec. 8263.204. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:
   (A) pay the interest on the bonds as the interest becomes due;
   (B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and
   (C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 965 (H.B. 4074), Sec. 1, eff. June 15, 2007.

For contingent expiration of this chapter, see Section 8264.003.

CHAPTER 8264. KIMBERLIN RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8264.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Kimberlin Ranch Municipal Utility District No. 1 of Grayson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 2.01, eff. September 1, 2007.

Sec. 8264.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 2.01,
Sec. 8264.003. CONSTRUCTION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8264.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:
(A) pay any debts incurred;
(B) transfer to Grayson County any assets that remain after the payment of debts; and
(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 2.01, eff. September 1, 2007.

Sec. 8264.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2.02 of the article creating this chapter.

(b) The boundaries and field notes contained in Section 2.02 of the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 2.01, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8264.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8264.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8264.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.

(b) The district may not provide retail water or wastewater services.

Sec. 8264.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8264.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY
EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 2.01, eff. September 1, 2007.

Sec. 8264.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.
(c) Any new district created by the division of the district has all the powers and duties of the district.
(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:
   (1) outside the area described by Section 2.02 of the article creating this chapter; or
   (2) outside the corporate limits of the city of Gunter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 2.01, eff. September 1, 2007.

Sec. 8264.106. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.
(b) Section 43.075, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 2.01, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8264.151. TAX TO REPAY BONDS. The district may impose a
tax to pay the principal of or interest on bonds or other obligations issued under Section 8264.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 2.01, eff. September 1, 2007.

SUBCHAPTER E. BONDS

Sec. 8264.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8264.101 or 8264.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8264.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8264.103 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 2.01, eff. September 1, 2007.

For contingent expiration of this chapter, see Section 8265.003.

CHAPTER 8265. KIMBERLIN RANCH MUNICIPAL UTILITY DISTRICT NO. 2 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8265.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Kimberlin Ranch Municipal Utility District No. 2 of Grayson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01, eff. September 1, 2007.

Sec. 8265.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to
accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01, eff. September 1, 2007.

Sec. 8265.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8265.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Grayson County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01, eff. September 1, 2007.

Sec. 8265.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 3.02 of the article creating this chapter.

(b) The boundaries and field notes contained in Section 3.02 of the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01, eff. September 1, 2007.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8265.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8265.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01, eff. September 1, 2007.

Sec. 8265.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.

(b) The district may not provide retail water or wastewater services.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01, eff. September 1, 2007.

Sec. 8265.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.
Sec. 8265.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01, eff. September 1, 2007.

Sec. 8265.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:

(1) outside the area described by Section 3.02 of the article creating this chapter; or
(2) outside the corporate limits of the city of Gunter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01, eff. September 1, 2007.

Sec. 8265.106. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.

(b) Section 43.075, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01,
Sec. 8265.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8264.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01, eff. September 1, 2007.

Sec. 8265.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8265.101 or 8265.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8265.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8265.103 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 3.01, eff. September 1, 2007.

For contingent expiration of this chapter, see Section 8266.003.

CHAPTER 8266. KIMBERLIN RANCH MUNICIPAL UTILITY DISTRICT NO. 3 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8266.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Kimberlin Ranch Municipal Utility District No. 3 of Grayson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 4.01,
Sec. 8266.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 4.01, eff. September 1, 2007.

Sec. 8266.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8266.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Grayson County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 4.01, eff. September 1, 2007.

Sec. 8266.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 4.02 of the article creating this chapter.

(b) The boundaries and field notes contained in Section 4.02 of the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

   (1) the organization, existence, or validity of the district;

   (2) the right of the district to impose taxes;

   (3) the validity of the district's bonds, notes, or indebtedness; or

   (4) the legality or operation of the district or the board.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8266.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8266.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8266.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.

(b) The district may not provide retail water or wastewater services.

Sec. 8266.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction
standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 4.01, eff. September 1, 2007.

Sec. 8266.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 4.01, eff. September 1, 2007.

Sec. 8266.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:
   (1) has no outstanding bonded debt; and
   (2) is not imposing ad valorem taxes.
   (b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.
   (c) Any new district created by the division of the district has all the powers and duties of the district.
   (d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:
      (1) outside the area described by Section 4.02 of the article creating this chapter; or
      (2) outside the corporate limits of the city of Gunter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 4.01, eff. September 1, 2007.

Sec. 8266.106. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.
(b) Section 43.075, Local Government Code, does not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 4.01, eff. September 1, 2007.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8266.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8266.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 4.01, eff. September 1, 2007.

**SUBCHAPTER E. BONDS**

Sec. 8266.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8266.101 or 8266.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8266.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8266.103 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 4.01, eff. September 1, 2007.

For contingent expiration of this chapter, see Section 8267.003.

CHAPTER 8267. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 120

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8267.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Montgomery County Municipal
Utility District No. 120.

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, eff. June 15, 2007.

Sec. 8267.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, eff. June 15, 2007.

Sec. 8267.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8267.023 before September 1, 2015:

(1) the district is dissolved September 1, 2015, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Montgomery County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2016.

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, eff. June 15, 2007.

Sec. 8267.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district.

(b) The district is created to accomplish:

(1) the purposes of a municipal utility district as provided by general law; and

(2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of arterial or main feeder roads or improvements in aid of those roads.
Sec. 8267.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except for temporary or initial directors, directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, eff. June 15, 2007.

Sec. 8267.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, eff. June 15, 2007.
Sec. 8267.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.  
(a) The district has the powers and duties provided by the general 
law of this state, including Chapters 49 and 54, Water Code, 
applicable to municipal utility districts created under Section 59, 
Article XVI, Texas Constitution. 
(b) The district has the powers and duties necessary to 
accomplish the purposes for which the district is created. 

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, 

Sec. 8267.102. ROAD PROJECTS. (a) To the extent authorized by 
Section 52, Article III, Texas Constitution, the district may 
acquire, construct, or finance a road that meets the criteria or 
requirements for a thoroughfare, arterial, or collector road of the 
county in which the road is located or the municipality in whose 
corporate limits or extraterritorial jurisdiction the road is located 
or improvements in aid of that road. 
(b) A road project must meet all applicable standards, 
regulations, and ordinances of the municipality or county in whose 
jurisdiction the district is located. 

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, 

Sec. 8267.103. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN 
POWER. (a) In this section, "recreational facilities" and "develop 
and maintain" have the meanings assigned by Section 49.462, Water 
Code. 
(b) The district may develop and maintain recreational 
facilities. 
(c) The district may not, for the development or maintenance of 
a recreational facility, acquire by condemnation land, an easement, 
or other property inside or outside the district. 

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, 
Sec. 8267.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the municipality that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8267.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, eff. June 15, 2007.

Sec. 8267.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8267.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8267.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any
authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, eff. June 15, 2007.

Sec. 8267.202. BONDS FOR ROAD PROJECTS. (a) The district may not issue bonds to finance projects authorized by Section 8267.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(b) Bonds or other obligations issued or incurred to finance projects authorized by Section 8267.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, eff. June 15, 2007.

Sec. 8267.203. BONDS FOR RECREATIONAL FACILITIES. If authorized at an election under Section 8267.151, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 1135 (H.B. 4084), Sec. 1, eff. June 15, 2007.

Sec. 8267.204. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.
Sec. 8268.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Montgomery County Municipal Utility District No. 117.

Sec. 8268.002. NATURE OF DISTRICT. The district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8268.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district. (b) The district is created to accomplish:
(1) the purposes of a municipal utility district as provided by general law; and
(2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of arterial or main feeder roads or improvements in aid of those roads.

Sec. 8268.005. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8268.021. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Arthur J. Sullivan, III;
(2) Linda Grant Jones;
(3) James H. Pouns;
(4) Lee Lupher; and
(5) Thomas Vann.

(b) Temporary directors serve until the earlier of:

(1) the date initial directors are elected under Section 8268.023; or
(2) September 1, 2013.

(c) If initial directors have not been elected under Section 8268.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date initial directors are elected under Section 8268.023; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district
may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 408 (S.B. 324), Sec. 1, eff. June 14, 2013.

Sec. 8268.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.

Sec. 8268.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. Not later than the second anniversary of the organizational meeting held under Section 8268.022, the temporary directors shall hold an election to confirm the creation of the district and to elect five initial directors as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.

Sec. 8268.024. INITIAL ELECTED DIRECTORS; TERMS. Unless the initial board otherwise agrees, the directors elected under Section 8268.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8268.052 and which three shall serve until the second regularly scheduled election of directors.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8268.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Except for temporary or initial directors, directors serve staggered four-year terms.

Sec. 8268.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8268.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8268.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may acquire, construct, or finance a road that meets the criteria or requirements for a thoroughfare, arterial, or collector road of the county in which the road is located or the municipality in whose corporate limits or extraterritorial jurisdiction the road is located
or improvements in aid of that road.

(b) A road project must meet all applicable standards, regulations, and ordinances of the municipality or county in whose jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.

Sec. 8268.103. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.

Sec. 8268.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the municipality that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8268.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.

Sec. 8268.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8268.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8268.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.

Sec. 8268.202. BONDS FOR ROAD PROJECTS. (a) The district may not issue bonds to finance projects authorized by Section 8268.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(b) Bonds or other obligations issued or incurred to finance projects authorized by Section 8268.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.
Sec. 8268.203. BONDS FOR RECREATIONAL FACILITIES. If authorized at an election under Section 8268.151, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.

Sec. 8268.204. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1134 (H.B. 4083), Sec. 1, eff. June 15, 2007.

For contingent expiration of this chapter, see Section 8269.003.

CHAPTER 8269. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 119

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8269.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Montgomery County Municipal Utility District No. 119.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

Sec. 8269.002. NATURE OF DISTRICT. The district is a municipal
utility district in Montgomery County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

Sec. 8269.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8269.023 before September 1, 2015:

(1) the district is dissolved September 1, 2015, except that the district shall:
(A) pay any debts incurred;
(B) transfer to Montgomery County any assets that remain after the payment of debts; and
(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2016.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

Sec. 8269.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district. 
(b) The district is created to accomplish:
(1) the purposes of a municipal utility district as provided by general law; and
(2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of arterial or main feeder roads or improvements in aid of those roads.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

Sec. 8269.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the
Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8269.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except for temporary or initial directors, directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

Sec. 8269.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8269.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

(a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to
accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

Sec. 8269.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may acquire, construct, or finance a road that meets the criteria or requirements for a thoroughfare, arterial, or collector road of the county in which the road is located or the municipality in whose corporate limits or extraterritorial jurisdiction the road is located or improvements in aid of that road.

(b) A road project must meet all applicable standards, regulations, and ordinances of the municipality or county in whose jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

Sec. 8269.103. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" and "develop and maintain" have the meanings assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

Sec. 8269.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the municipality that consents to the creation of the district or to the inclusion of lands within the district.
Sec. 8269.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Sec. 8269.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8269.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8269.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8269.202. BONDS FOR ROAD PROJECTS. (a) The district may
not issue bonds to finance projects authorized by Section 8269.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(b) Bonds or other obligations issued or incurred to finance projects authorized by Section 8269.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

Sec. 8269.203. BONDS FOR RECREATIONAL FACILITIES. If authorized at an election under Section 8269.151, the district may issue bonds payable from ad valorem taxes to pay for the development and maintenance of recreational facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.

Sec. 8269.204. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1132 (H.B. 4079), Sec. 1, eff. June 15, 2007.
Sec. 8270.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the CNP Utility District.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.004. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and duties are subject to the state policy of encouraging the development and use of integrated area-wide waste...
collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the effect on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

**SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT TERRITORY**

Sec. 8270.051. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 751, Acts of the 61st Legislature, Regular Session, 1969, as that territory may have been modified under:

1. Subchapter H, Chapter 54, Water Code;
2. Subchapter J, Chapter 49, Water Code;
3. Section 9, Chapter 751, Acts of the 61st Legislature, Regular Session, 1969; or
4. other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

1. the district's organization, existence, and validity;
2. the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. the district's right to impose a tax; or
4. the legality or operation of the district or the board.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.052. EXPANSION OF DISTRICT. (a) If land is added to the district under Section 49.301, Water Code, the board may require the petitioners:
(1) to assume the petitioners' pro rata share of the voted but unissued bonds of the district; and

(2) to authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.

(b) If land is annexed in the manner provided by Section 49.302, Water Code, the board may also submit a proposition to the voters of the area to be annexed on the question of the assumption by the area to be annexed of its part of the voted but not yet issued or sold tax or tax-revenue bonds of the district and the imposition of an ad valorem tax on taxable property within the area to be annexed along with a tax on the rest of the district for the payment of the bonds.

(c) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued tax or tax-revenue bonds regardless of changes to district boundaries since the original voting or authorization of the bonds.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

SUBCHAPTER C. DISTRICT ADMINISTRATION

Sec. 8270.101. COMPOSITION OF BOARD. The board consists of five elected directors.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.102. DIRECTOR'S BOND. Each director shall give bond in the amount of $5,000 for the faithful performance of the director's duties.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.
Sec. 8270.103. DISTRICT OFFICE. (a) Except as provided by this section, the board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by:

1. filing a copy of the board resolution that establishes the location of the office:
   (A) with the Texas Commission on Environmental Quality; and
   (B) in the municipal utility district records of each county in which the district is located; and

2. publishing notice of the location of the office in a newspaper of general circulation in each county in which the district is located.

(c) A district office that is a private residence, office, or dwelling is a public place for matters relating to district business.

(d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.104. ABSENCE OR INACTION OF BOARD PRESIDENT. (a) When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter or general law gives the president.

(b) If the board president is absent from a board meeting:

1. the board vice president may:
   (A) sign an order adopted at the meeting; or
   (B) implement any other action taken at the meeting; or

2. the board may authorize the president to sign the order or implement the action.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.
SUBCHAPTER D. POWERS AND DUTIES

Sec. 8270.151. MUNICIPAL UTILITY DISTRICT POWERS. The district has all of the rights, powers, privileges, authority, and functions conferred and imposed by the general laws of the state relating to municipal utility districts created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.152. ADDITIONAL POWERS. (a) The district may:
(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, existing improvements, or improvements to be made, constructed, or acquired that are:
(A) inside or outside the district's boundaries; and
(B) necessary to carry out the powers granted by this chapter or general law; or
(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:
   (A) the purchase or sale of water;
   (B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;
   (C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and
   (D) the performance of any of the powers granted by this chapter or general law.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.
Sec. 8270.153. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain only:
   (1) in a county in which the district is located; and
   (2) when necessary to carry out the purposes for which the district was created.
   (b) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.
   (c) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (b).

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.
Amended by:
   Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 15, eff. September 1, 2015.

Sec. 8270.154. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, or changing the grade of or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.
   (b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power conferred by this chapter makes necessary relocating, raising, rerouting, changing the grade, or altering the construction of a highway, a railroad, an electric transmission line, a telegraph or telephone property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district.
Sec. 8270.155. CONTRACT FOR PURCHASE OF WATER, SEWER, OR DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may enter into a contract with a political subdivision for water, sewer, or drainage services or any combination of those services without the necessity of an election by any contracting party.  
(b) The district may pay for an obligation incurred by such a contract by issuing bonds that, if otherwise necessary, have been approved by the voters in the manner provided by this chapter.  
(c) The district may deliver the district's bonds to any of the following parties that enters into such a contract with the district:  
(1) the United States;  
(2) an agency or instrumentality of the United States;  
(3) this state; or  
(4) an agency or instrumentality of this state.

Sec. 8270.156. NOTICE OF ELECTION. The board president or secretary may give notice of an election.

Sec. 8270.157. DISTRICT RULES. The district shall adopt and enforce reasonable and effective rules to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of the district's sewerage system to preserve the quality of water within or controlled by the district.
amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

**SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS**

Sec. 8270.201. TAX METHOD. (a) The board shall use the ad valorem plan of taxation.

(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.202. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.203. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered:

(1) to each director; and

(2) on request to a holder of at least 25 percent of the outstanding bonds of the district.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.204. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:

(1) district property; or

(2) a purchase made by the district.

Redesignated from Special District Local Laws Code, Chapter 9013 and
Sec. 8270.205. DEPOSITORY. (a) The board shall select one or more banks in this state to act as depository for the district's funds.

(b) To the extent that funds in the depository bank are not insured by the Federal Deposit Insurance Corporation, the funds must be secured in the manner provided by law for the security of county funds.

(c) A director may be a shareholder in a depository of district funds.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

SUBCHAPTER F. BONDS

Sec. 8270.251. ISSUANCE OF BONDS. (a) The district may issue bonds payable from taxes or revenue to provide money for any purpose of this chapter, including the acquisition of land.

(b) The district must issue bonds in the manner provided by Chapters 49 and 54, Water Code, except that the district may issue bonds payable solely from net revenue by resolution or order of the board without an election.

(c) Bonds issued under this subchapter may be payable from all or any designated part of the revenue of district property and facilities or under a specific contract, as provided in the order or resolution authorizing the issuance of bonds.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.252. ADDITIONAL SECURITY. (a) Within the discretion of the board, bonds issued under this subchapter may be additionally secured by a deed of trust or mortgage lien on physical property of the district and franchises, easements, water rights and
appropriation permits, leases, contracts, and all rights appurtenant to that property, vesting in the trustee the power to:

(1) sell the property for payment of the debt;
(2) operate the property; and
(3) take any other action to secure the bonds.

(b) A purchaser under a sale under the deed of trust or mortgage lien of the property:

(1) is the absolute owner of the property, facilities, and rights purchased; and
(2) may maintain and operate the property and facilities.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.253. TRUST INDENTURE. A trust indenture created under Section 8270.252, regardless of the existence of a deed of trust or mortgage lien on the property, may:

(1) provide for the security of the bonds and the preservation of the trust estate in the manner prescribed by the board;
(2) provide for amendment or modification of the trust indenture;
(3) provide for the issuance of bonds to replace lost or mutilated bonds;
(4) condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and
(5) provide for the investment of district money.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.254. ORDER OR RESOLUTION AUTHORIZING ISSUANCE OF CERTAIN BONDS. (a) In an order or resolution authorizing the issuance of revenue, tax-revenue, revenue refunding, or tax-revenue refunding bonds, the board may:

(1) provide for:
(A) the flow of funds; and

(B) the establishment and maintenance of the interest and sinking fund, reserve fund, or other fund;

(2) make additional covenants with respect to the bonds and the pledged revenue and the operation and maintenance of the improvements and facilities the revenue of which is pledged, which may include provisions for the operation or leasing of all or part of the improvements and facilities and the use or pledge of money received from the operation contract or lease as the board considers appropriate;

(3) prohibit the further issuance of bonds or other obligations payable from the pledged revenue or reserve the right to issue additional bonds to be secured by a pledge of and payable from the revenue on a parity with, or subordinate to, the lien and pledge in support of the bonds being issued, subject to any conditions set forth in the order or resolution; and

(4) include any other provision or covenant not prohibited by the Texas Constitution or this chapter.

(b) The board may adopt and execute any other proceeding or instrument necessary or convenient in the issuance of the bonds.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.255. USE OF BOND PROCEEDS DURING CONSTRUCTION. (a) The district may appropriate or set aside out of the proceeds from the sale of any bonds issued under this subchapter an amount for the payment of interest, administrative, and operating expenses expected to accrue during a period of construction, as may be provided in the bond orders or resolutions.

(b) For purposes of this section, the period of construction may not exceed three years.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.256. REFUNDING BONDS. (a) By order or resolution
adopted by the board, the district may issue revenue refunding bonds or tax-revenue refunding bonds to refund revenue bonds or tax-revenue bonds, whether original bonds or refunding bonds, previously issued by the district.

(b) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(c) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the order or resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in the place or places where the bonds to be refunded are payable. In that case, the refunding bonds may be issued if an amount sufficient to pay the principal of and interest on the bonds to be refunded to their maturity dates, or to their option dates if according to their terms the bonds have been called for payment before maturity, has been deposited in the place or places where the bonds to be refunded are payable, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.
Sec. 8271.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8271.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 306, Acts of the 61st Legislature, Regular Session, 1969, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9, Chapter 306, Acts of the 61st Legislature, Regular Session, 1969; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bonds for a purpose for which the district is created or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Statute text rendered on: 6/18/2019 - 6109 -
Sec. 8271.005. EXPANSION OF DISTRICT. (a) If land is annexed by the district under Section 49.301, Water Code, the board may require the petitioners to:

(1) assume the petitioners' pro rata share of the voted but unissued bonds of the district; and

(2) authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.

(b) If land is annexed by the district under Section 49.302, Water Code, the board may submit to the voters of the area to be annexed a proposition on the question of the assumption by the area to be annexed of its part of the voted but not yet issued or sold tax or tax-revenue bonds of the district and the imposition of an ad valorem tax on taxable property in the area to be annexed along with a tax in the rest of the district for the payment of the bonds.

(c) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued tax or tax-revenue bonds regardless of changes to district boundaries since the original voting or authorization of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8271.006. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and duties are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the effect on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8271.051. COMPOSITION OF BOARD. The board consists of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8271.052. DIRECTOR'S BOND. Each director shall qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8271.053. ABSENCE OR INACTION OF BOARD PRESIDENT. (a) When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter or general law gives the president.

(b) If the board president is absent from a board meeting:

(1) the board vice president may sign an order or other action adopted at the meeting; or

(2) the board may authorize the president to sign the order or implement the action.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8271.054. DISTRICT OFFICE. (a) Except as provided by this section, the board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by:

(1) filing a copy of the board resolution that establishes the location of the office:

(A) with the Texas Commission on Environmental Quality; and

(B) in the municipal utility district records of each
county in which the district is located; and
(2) publishing notice of the location of the office in a newspaper of general circulation in each county in which the district is located.
(c) A district office that is a private residence, office, or dwelling is a public place for matters relating to the district's business.
(d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8271.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has all of the rights, powers, privileges, and functions conferred and imposed by the general law of this state relating to municipal utility districts created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8271.102. ADDITIONAL POWERS. (a) The district may:
(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, existing improvements, or improvements to be made, constructed, or acquired that are:
(A) inside or outside the district's boundaries; and
(B) necessary to carry out the powers granted by this chapter or general law; or
(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:
(A) the purchase or sale of water;
(B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;
(C) the continuing and orderly development of land and property in the district through the purchase, construction, or
installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and  

(D) the performance of any of the powers granted by this chapter or general law.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8271.103. EMINENT DOMAIN. The district may exercise the power of eminent domain only:

(1) in a county in which the district is located; and

(2) when necessary to carry out the purposes for which the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8271.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power conferred by this chapter makes necessary the relocation, raising, rerouting, changing the grade, or alteration of the construction of a highway, a railroad, an electric transmission line, a telegraph or telephone property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8271.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district and a political subdivision may enter into a contract for water, sewer, or drainage services or any combination of those services without the necessity of an election by any contracting party to approve the contract.

(b) The district may pay for an obligation incurred by such a contract by issuing bonds that, if otherwise necessary, have been approved by the voters in the manner provided by this chapter.

(c) The district may deliver the district's bonds to the United States or an agency or instrumentality of the United States, or to this state or an agency or instrumentality of this state, that entered into a contract with the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8271.106. NOTICE OF ELECTION. The board president or secretary may give notice of an election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8271.107. DISTRICT RULES. The district shall adopt and enforce reasonable and effective rules to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of the district's sewerage system to preserve the quality of water within or controlled by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8271.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.
Sec. 8271.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Sec. 8271.153. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered:

(1) to each director; and
(2) to a holder of at least 25 percent of the outstanding bonds of the district, on request.

Sec. 8271.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:

(1) district property; or
(2) a purchase made by the district.

Sec. 8271.155. DEPOSITORY. (a) The board shall select one or more banks in this state to act as depository for the district's money.

(b) To the extent that money in the depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(c) A director may be a shareholder in a bank that is a depository of district money.
Sec. 8271.201. LOST OR MUTILATED BONDS. A trust indenture securing bonds issued under this chapter may provide for the issuance of bonds to replace lost or mutilated bonds.

Sec. 8271.202. USE OF BOND PROCEEDS DURING CONSTRUCTION. (a) The district may appropriate or set aside out of the proceeds from the sale of any bonds issued under this chapter an amount for the payment of interest, administrative, and operating expenses expected to accrue during a period of construction, as may be provided in the bond orders or resolutions.

(b) For purposes of this section, the period of construction may not exceed three years.

Sec. 8271.203. REFUNDING BONDS. (a) By order or resolution adopted by the board, the district may issue revenue refunding bonds or tax-revenue refunding bonds to refund revenue bonds or tax-revenue bonds, whether original bonds or refunding bonds, previously issued by the district.

(b) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(c) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the order or resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in the place or places where the bonds to be refunded are payable. In that case, the refunding bonds may be issued if an amount sufficient to pay the principal of and interest on the bonds to be refunded to their maturity dates, or to their option dates if
according to their terms the bonds have been called for payment before maturity, has been deposited in the place or places where the bonds to be refunded are payable, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8272. HARRIS-MONTGOMERY COUNTIES MUNICIPAL UTILITY DISTRICT NO. 386

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8272.001. DEFINITION. In this chapter, "district" means the Harris-Montgomery Counties Municipal Utility District No. 386.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8272.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8272.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8272.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1381, Acts of the 77th Legislature, Regular Session, 2001, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the validity of district bonds, notes, or other indebtedness;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8272.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8272.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8272.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Houston, including an ordinance or resolution adopted before September 1, 2001, that consents to the creation of the district or to the inclusion of lands in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8272.103. RELOCATING OR ALTERING PROPERTY; COSTS. (a) The district may relocate, raise, reroute, change the grade of, or alter the construction of a highway, railroad, electric transmission line, telecommunications or other public utility facility, pipeline, canal, or drainage ditch if considered necessary by the board of directors.

(b) The district shall pay for any relocation, raising, rerouting, changing, or altering under this section, unless otherwise agreed in writing by the interested parties.

(c) If a facility is replaced, the cost of replacement is limited to an amount equal to the cost of replacing the facility with a comparable facility, less the replaced facility's net salvage value.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8272.104. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code; or

(3) a telecommunications provider as defined by Section 51.002, Utilities Code.
Sec. 8272.105. BONDS FOR RECREATIONAL FACILITIES. Section 49.4645(f), Water Code, does not apply to the district.

Sec. 8273.001. DEFINITIONS. In this chapter:

(1) "Authority" means the El Paso County Tornillo Water Improvement District.

(2) "Board" means the board of directors of the authority.

(3) "Director" means a member of the board.

Sec. 8273.002. NATURE OF AUTHORITY. The authority is a conservation and reclamation district in El Paso County created under Section 59, Article XVI, Texas Constitution.

Sec. 8273.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The authority is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the authority will benefit from the works and projects accomplished by the authority under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the authority is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 8273.004. AUTHORITY TERRITORY. (a) The authority is composed of the territory described by Section 3, Chapter 916, Acts of the 70th Legislature, Regular Session, 1987, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the authority form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the authority's organization, existence, or validity;
(2) the authority's right to impose a tax; or
(3) the legality or operation of the authority or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8273.051. COMPOSITION OF BOARD; TERMS. (a) The authority is governed by a board of seven directors elected to numbered places.

(b) Directors serve staggered terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8273.052. DIRECTOR'S BOND. Each director shall execute a bond for $5,000 payable to the authority and conditioned on the faithful performance of the director's duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8273.053. OFFICIAL BOARD ACTIONS. The affirmative vote of a majority of the directors is required for any official board
Sec. 8273.054. COMPENSATION. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, the authority may provide that each director is entitled to receive $20 for each day of service necessary to discharge the director's duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8273.055. CHANGING METHOD OF ELECTING DIRECTORS. If the board determines that it is in the best interest of the residents of the authority to change the method by which directors are elected, the board may adopt any plan of redistricting, including a plan based on equal geographical areas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8273.101. GENERAL POWERS. The authority may perform any act consistent with the powers granted by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8273.102. MUNICIPAL UTILITY DISTRICT POWERS. The authority has the rights, powers, privileges, and functions conferred by the general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
Sec. 8273.103. PERMITS; WATER SUPPLY ACQUISITION. The authority may:

(1) acquire water appropriation permits, construction permits, and other permits directly from the Texas Commission on Environmental Quality or from owners of permits;

(2) acquire water or a water supply from any person, including a public agency, this state, or the United States;

(3) contract with one or more substantial users of water to acquire the water supply on an agreed allocation of storage space between the authority and the user; or

(4) contract independently for the authority's water supply.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8273.104. DOMESTIC, INDUSTRIAL, OR COMMUNAL WASTE. The authority may collect, transport, process, dispose of, and control all domestic, industrial, or communal waste, whether in fluid, solid, or composite state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8273.105. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future uses.

(b) The authority shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforced by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
Sec. 8273.106. ADDITIONAL POWERS. The authority may purchase, construct, acquire, own, lease, operate, maintain, repair, improve, and extend, inside or outside the authority's boundaries, land or an interest in land, any work, improvement, facility, plant, equipment, or appliance incident, helpful, or necessary to provide for:

(1) the control, storage, preservation, transmission, treatment, and distribution and use of storm water, floodwater, the water of rivers and streams, and groundwater for municipal, domestic, industrial, and other beneficial uses; and

(2) the collection, transportation, processing, disposition, and control of domestic, industrial, or commercial waste.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8273.107. CONSTRUCTION CONTRACTS. (a) The authority may award a construction contract that requires an expenditure of more than $12,500 only after publication of notice to bidders once each week for two consecutive weeks immediately before awarding the contract.

(b) The notice must be published in a newspaper with general circulation in the authority, as designated by the board.

(c) The notice must state:

(1) the time and place for opening the bids;

(2) the general nature of the work to be done or the material, equipment, or supplies to be purchased; and

(3) the terms on which copies of the plans and specifications may be obtained.

(d) The authority is not required to advertise work to be performed in an emergency.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8274.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Harris County Utility District No. 6.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 391, Acts of the 61st Legislature, Regular Session, 1969, as that territory may
have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9, Chapter 391, Acts of the 61st Legislature, Regular Session, 1969; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.005. EXPANSION OF DISTRICT. (a) If land is annexed to the district under Section 49.301, Water Code, the board may require the petitioners to:

(1) allow the assumption by the area to be annexed of its pro rata share of the taxes necessary to support voted but unissued tax or tax-revenue bonds of the district; and
(2) authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.

(b) If land is annexed to the district under Section 49.302, Water Code, the board may submit to the voters of the area to be annexed a proposition on the question of the assumption by the area to be annexed of its pro rata share of the voted but not yet issued or sold tax or tax-revenue bonds of the district and the imposition of an ad valorem tax on taxable property in the area to be annexed along with a tax in the rest of the district for the payment of the bonds.

(c) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued tax or tax-revenue bonds regardless of changes to district boundaries since the original voting or authorization of the bonds.
Sec. 8274.006. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and functions are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the effect on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect the purposes, powers, rights, and functions stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8274.051. COMPOSITION OF BOARD. The board consists of five directors elected by position.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.052. DIRECTOR'S BOND. Each director shall qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8274.053. ABSENCE OR INACTION OF BOARD PRESIDENT. (a) When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter or general law gives the president.

(b) If the board president is absent from a board meeting:

(C) the board vice president may sign an order or other action adopted at the meeting; or

(C) the board may authorize the president to sign the order or other action.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.054. DISTRICT OFFICE. (a) Except as provided by this section, the board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by:

(C) filing a copy of the board resolution that establishes the location of the office:

(A) with the Texas Commission on Environmental Quality; and

(B) in the municipal utility district records of Harris County; and

(C) publishing notice of the location of the office in a newspaper of general circulation in Harris County.

(c) A district office that is a private residence, office, or dwelling is a public place for matters relating to the district's business.

(d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8274.101. MUNICIPAL UTILITY DISTRICT POWERS. (a) The
district has all of the rights, powers, privileges, and functions conferred and imposed by the general law of this state relating to municipal utility districts created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code.

(b) The district may exercise inside or outside the district's boundaries any of the rights or powers granted by this chapter or under the general law relating to municipal utility districts, including the provision of water, sanitary sewerage, and drainage services.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.102. ADDITIONAL POWERS. (a) The district may:

(1) make, purchase, construct, lease, or otherwise acquire, inside or outside the district's boundaries, property, works, facilities, or improvements, whether previously existing or to be made, constructed, or acquired, that are necessary to carry out the powers granted by this chapter or general law; or

(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:

(A) the purchase or sale of water;

(B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others, including the purposes provided by Chapter 30, Water Code;

(C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and

(D) the performance of any of the powers granted by this chapter or the general law.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8274.103. EMINENT DOMAIN. The district may exercise the power of eminent domain only:

(1) in a county in which the district is located; and
(2) when necessary to carry out the purposes for which the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power conferred by this chapter makes necessary the relocation, raising, rerouting, changing the grade, or alteration of the construction of a highway, a railroad, an electric transmission line, a telegraph or telephone property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district and a political subdivision may enter into a contract for water, sewer, or drainage services or any combination of those services without the necessity of an election by any contracting party to approve the contract.

(b) The district may pay for an obligation incurred by such a contract by issuing bonds that, if otherwise necessary, have been approved by the voters in the manner provided by this chapter.

(c) The district may deliver the district's bonds to the United States or an agency or instrumentality of the United States, or this
state or an agency or instrumentality of this state, that entered into a contract with the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.106. NOTICE OF ELECTION. The board president or secretary may give notice of an election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8274.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.152. TAX TO PAY OBLIGATIONS INCURRED UNDER CONTRACT FOR WATER PURCHASE. (a) If the tax is authorized at an election held for that purpose in the manner provided by Section 49.107, Water Code, the district may impose a tax and pledge the tax for the payment of all or part of an obligation incurred under a contract to purchase water.

(b) The election may be held in conjunction with an election authorizing tax bonds or authorizing a maintenance tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.153. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
Sec. 8274.154. FISCAL YEAR. The fiscal year of the district is from January 1 to December 31 of the same year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.155. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered:

(1) to each director; and

(2) to a holder of at least 25 percent of the outstanding bonds of the district, on request.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.156. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:

(1) district property; or

(2) a purchase made by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.157. DEPOSITORY. (a) The board shall select one or more banks in this state to act as depository for the district's money.

(b) To the extent that money in the depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(c) A director may be a shareholder in a bank that is a depository of district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.

**SUBCHAPTER E. BONDS**

Sec. 8274.201. AUTHORITY TO ISSUE BONDS. The district may vote and issue any kind of bonds or issue refunding bonds for contiguous or noncontiguous areas for any district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.202. USE OF BOND PROCEEDS OUTSIDE DISTRICT. The proceeds from the sale of tax-supported district bonds may not be spent outside the district unless the expenditure is absolutely necessary to the operation of the district in the exercise of the district's rights, powers, privileges, and functions.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.203. USE OF BOND PROCEEDS DURING CONSTRUCTION. (a) The district may appropriate or set aside out of the proceeds from the sale of any bonds issued under this chapter an amount for the payment of interest, administrative, and operating expenses expected to accrue during a period of construction, as may be provided in the bond orders or resolutions.

(b) For purposes of this section, the period of construction may not exceed three years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8274.204. LOST OR MUTILATED BONDS. A trust indenture securing bonds issued under this chapter may provide for the issuance of bonds to replace lost or mutilated bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8274.205. REFUNDING BONDS. (a) By order or resolution adopted by the board, the district may issue revenue refunding bonds or tax-revenue refunding bonds to refund revenue bonds or tax-revenue bonds, whether original bonds or refunding bonds, previously issued by the district.

(b) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(c) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the order or resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in the place or places where the bonds to be refunded are payable. In that case, the refunding bonds may be issued if an amount sufficient to pay the principal of and interest on the bonds to be refunded to their maturity dates, or to their option dates if according to their terms the bonds have been called for payment before maturity, has been deposited in the place or places where the bonds to be refunded are payable, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8275. HARRIS COUNTY UTILITY DISTRICT NO. 14

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8275.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Harris County Utility District No. 14.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8275.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under
Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8275.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8275.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 445, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;

(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose a tax; or

(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
SUBCHAPTER B. BOARD OF DIRECTORS  
Sec. 8275.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES  
Sec. 8275.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8276. HARRIS COUNTY UTILITY DISTRICT NO. 15  
SUBCHAPTER A. GENERAL PROVISIONS  
Sec. 8276.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Harris County Utility District No. 15.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8276.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8276.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of
the district will benefit from the works and projects accomplished by
the district under the powers conferred by Section 59, Article XVI,
Texas Constitution.

(c) The creation of the district is essential to accomplish the
purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.

Sec. 8276.004. DISTRICT TERRITORY. (a) The district is
composed of the territory described by Section 4, Chapter 642, Acts
of the 62nd Legislature, Regular Session, 1971, as that territory may
have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a
closure. A mistake in copying the field notes in the legislative
process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a
purpose for which the district is created or to pay the principal of
and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its
governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8276.051. COMPOSITION OF BOARD. The board of directors is
composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.
Sec. 8276.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8277. HARRIS COUNTY UTILITY DISTRICT NO. 16
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8277.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Harris County Utility District No. 16.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8277.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8277.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8277.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 437, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8277.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8277.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8277.102. EMINENT DOMAIN. (a) The district may exercise
the power of eminent domain as provided by this section only if the
district submits a letter to the comptroller not later than December
31, 2015, in accordance with the requirements of Section 2206.101(b),
Government Code, other than the requirement that the letter be
submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority
to exercise the power of eminent domain under Section 2206.101(c),
Government Code, the district may exercise the power of eminent
domain as provided by law applicable to the district on or after the
90th day after the date the district submits a letter in accordance
with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 16,
eff. September 1, 2015.

CHAPTER 8278. HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT
NO. 132 OF HARRIS COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8278.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Harris County Water Control and
Improvement District No. 132 of Harris County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.

Sec. 8278.002. NATURE OF DISTRICT. The district is a municipal
utility district and a conservation and reclamation district in
Harris County created under Section 59, Article XVI, Texas
Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.

Sec. 8278.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of
the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 144, Acts of the 61st Legislature, Regular Session, 1969, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9, Chapter 144, Acts of the 61st Legislature, Regular Session, 1969; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.005. EXPANSION OF DISTRICT. (a) If land is annexed to the district under Section 49.301, Water Code, the board may require the petitioners to:
(1) assume the petitioners' pro rata share of the voted but unissued bonds of the district; and
(2) authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.
(b) If land is annexed to the district under Section 49.302, Water Code, the board may submit to the voters of the area to be annexed a proposition on the question of the assumption by the area to be annexed of its part of the voted but not yet issued or sold tax or tax-revenue bonds of the district and the imposition of an ad valorem tax on taxable property in the area to be annexed along with a tax in the rest of the district for the payment of the bonds.
(c) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued tax or tax-revenue bonds regardless of changes to district boundaries since the original voting or authorization of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.006. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and duties are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the effect on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION
Sec. 8278.051. COMPOSITION OF BOARD. The board consists of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8278.052. APPOINTMENT OF TREASURER. The board may appoint the treasurer.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.053. DIRECTOR'S AND TREASURER'S BONDS. (a) Each director shall qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The treasurer shall give bond in the amount required by the board. The treasurer's bond shall be conditioned on the treasurer's faithful accounting for all money that comes into the treasurer's custody as treasurer of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.054. ABSENCE OR INACTION OF BOARD PRESIDENT. (a) When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter or general law gives the president.

(b) If the board president is absent from a board meeting:
   (1) the board vice president may sign an order or other action adopted at the meeting; or
   (2) the board may authorize the president to sign the order or other action.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.055. DISTRICT OFFICE. (a) Except as provided by this section, the board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by:
   (1) filing a copy of the board resolution that establishes the location of the office:
with the Texas Commission on Environmental Quality; and

in the municipal utility district records of the county in which the district is located; and

(2) publishing notice of the location of the office in a newspaper of general circulation in the county in which the district is located.

c) A district office that is a private residence, office, or dwelling is a public place for matters relating to the district's business.

d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8278.101. MUNICIPAL UTILITY DISTRICT POWERS. (a) The district has all of the rights, powers, privileges, and functions conferred and imposed by the general law of this state relating to municipal utility districts created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code.

(b) The district may exercise inside or outside the district's boundaries any of the rights or powers granted by this chapter or under the general law relating to municipal utility districts, including the provision of water or sewerage service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.102. ADDITIONAL POWERS. (a) The district may:

(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, existing improvements, or improvements to be made, constructed, or acquired that are:

(A) inside or outside the district's boundaries; and

(B) necessary or useful to carry out the powers granted by this chapter or general law; or
(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:
(A) the purchase or sale of water;
(B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;
(C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and
(D) the performance of any of the powers granted by this chapter or the general law relating to municipal utility districts.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.103. EMINENT DOMAIN. The district may exercise the power of eminent domain only in the county in which the district is located.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain makes necessary the relocation, raising, lowering, rerouting, changing the grade, or alteration of the construction of a highway, a railroad, an electric transmission line, a telegraph or telephone property or facility, or a pipeline, the necessary action shall be
accomplished at the sole expense of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.105. NOTICE OF ELECTION. The board president or secretary may give notice of an election. (Acts 61st Leg., R.S., Ch. 144, Sec. 19 (part).)

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8278.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.153. FISCAL YEAR. The fiscal year of the district is from January 1 to December 31 of the same year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.154. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered:
(1) to each director; and
(2) to a holder of at least 25 percent of the outstanding bonds of the district, on request.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.155. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:
(1) district property; or
(2) a purchase made by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.156. DEPOSITORY. (a) The board shall select one or more banks in this state to act as depository for the district's money.
(b) To the extent that money in the depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.
(c) A director may be a shareholder in a bank that is a depository of district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 8278.201. AUTHORITY TO ISSUE BONDS. The district may issue bonds to provide water and sewer service to areas inside or outside the boundaries of the district, regardless of whether the areas are contiguous or noncontiguous.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8278.202. LOST OR MUTILATED BONDS. A trust indenture securing bonds issued under this chapter may provide for the issuance of bonds to replace lost or mutilated bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.203. USE OF BOND PROCEEDS DURING CONSTRUCTION. (a) The district may appropriate or set aside out of the proceeds from the sale of any bonds issued under this chapter an amount for the payment of interest, administrative, and operating expenses expected to accrue during a period of construction, as may be provided in the bond orders or resolutions.

(b) For purposes of this section, the period of construction may not exceed three years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8278.204. REFUNDING BONDS. (a) By order or resolution adopted by the board, the district may issue tax or revenue refunding bonds or tax-revenue refunding bonds to refund revenue bonds or tax-revenue bonds, whether original bonds or refunding bonds, previously issued by the district.

(b) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(c) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the order or resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in the place or places where the bonds to be refunded are payable. In that case, the refunding bonds may be issued if an amount sufficient to pay the principal of and interest on the bonds to be refunded to their maturity dates, or to their option dates if according to their terms the bonds have been called for payment before maturity, has been deposited in the place or places where the bonds to be refunded are payable, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.
CHAPTER 8279. HORSEPEN BAYOU MUNICIPAL UTILITY DISTRICT OF HARRIS COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8279.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Horsepen Bayou Municipal Utility District of Harris County, Texas.

Sec. 8279.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Sec. 8279.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.
Sec. 8279.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 838, Acts of the 61st Legislature, Regular Session, 1969, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9, Chapter 838, Acts of the 61st Legislature, Regular Session, 1969; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.005. EXPANSION OF DISTRICT. (a) If land is annexed to the district under Section 49.301, Water Code, the board may require the petitioners to:

(1) assume the petitioners' pro rata share of the voted but unissued bonds of the district; and
(2) authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.

(b) If land is annexed to the district under Section 49.302, Water Code, the board may submit to the voters of the area to be annexed a proposition on the question of the assumption by the area to be annexed of its part of the voted but not yet issued or sold tax or tax-revenue bonds of the district and the imposition of an ad valorem tax on taxable property in the area to be annexed along with a tax in the rest of the district for the payment of the bonds.
(c) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued tax or tax-revenue bonds regardless of changes to district boundaries since the original voting or authorization of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.006. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and duties are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the effect on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8279.051. COMPOSITION OF BOARD. The board consists of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.052. APPOINTMENT OF TREASURER. The board may appoint the treasurer.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.053. DIRECTOR'S AND TREASURER'S BONDS. (a) Each director shall qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.
(b) The treasurer shall give bond in the amount required by the board. The treasurer's bond shall be conditioned on the treasurer's faithful accounting for all money that comes into the treasurer's custody as treasurer of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.054. ABSENCE OR INACTION OF BOARD PRESIDENT. (a) When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter or general law gives the president.

(b) If the board president is absent from a board meeting:

(1) the board vice president may sign an order or other action adopted at the meeting; or

(2) the board may authorize the president to sign the order or other action.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.055. DISTRICT OFFICE. (a) Except as provided by this section, the board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by:

(1) filing a copy of the board resolution that establishes the location of the office:

(A) with the Texas Commission on Environmental Quality; and

(B) in the municipal utility district records of the county in which the district is located; and

(2) publishing notice of the location of the office in a newspaper of general circulation in the county in which the district is located.

(c) A district office that is a private residence, office, or dwelling is a public place for matters relating to the district's business.
(d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8279.101. MUNICIPAL UTILITY DISTRICT POWERS. (a) The district has all of the rights, powers, privileges, and functions conferred and imposed by the general law of this state relating to municipal utility districts created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code.

(b) The district may exercise inside or outside the district's boundaries any of the rights or powers granted by this chapter or under the general law relating to municipal utility districts, including the provision of water or sewerage service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.102. ADDITIONAL POWERS. (a) The district may:
(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, existing improvements, or improvements to be made, constructed, or acquired that are:
   (A) inside or outside the district's boundaries; and
   (B) necessary to carry out the powers granted by this chapter or general law; or
(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:
   (A) the purchase or sale of water;
   (B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;
   (C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and
economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and

(D) the performance of any of the powers granted by this chapter or the general law relating to municipal utility districts.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.103. EMINENT DOMAIN. The district may exercise the power of eminent domain only in a county in which the district is located.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain makes necessary the relocation, raising, rerouting, changing the grade, or alteration of the construction of a highway, a railroad, an electric transmission line, a telegraph or telephone property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.105. NOTICE OF ELECTION. The board president or secretary may give notice of an election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8279.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.
(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.153. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered:
(1) to each director; and
(2) to a holder of at least 25 percent of the outstanding bonds of the district, on request.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:
(1) district property; or
(2) a purchase made by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.155. DEPOSITORY. (a) The board shall select one or
more banks in this state to act as depository for the district's money.

(b) To the extent that money in the depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(c) A director may be a shareholder in a bank that is a depository of district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 8279.201. AUTHORITY TO ISSUE BONDS. The district may issue bonds to provide water and sewer service to areas inside or outside the boundaries of the district, regardless of whether the areas are contiguous or noncontiguous.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.202. LOST OR MUTILATED BONDS. A trust indenture securing bonds issued under this chapter may provide for the issuance of bonds to replace lost or mutilated bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8279.203. USE OF BOND PROCEEDS DURING CONSTRUCTION. (a) The district may appropriate or set aside out of the proceeds from the sale of any bonds issued under this chapter an amount for the payment of interest, administrative, and operating expenses expected to accrue during a period of construction, as may be provided in the bond orders or resolutions.

(b) For purposes of this section, the period of construction may not exceed three years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
Sec. 8279.204. REFUNDING BONDS. (a) By order or resolution adopted by the board, the district may issue revenue refunding bonds or tax-revenue refunding bonds to refund revenue bonds or tax-revenue bonds, whether original bonds or refunding bonds, previously issued by the district.

(b) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(c) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the order or resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in the place or places where the bonds to be refunded are payable. In that case, the refunding bonds may be issued if an amount sufficient to pay the principal of and interest on the bonds to be refunded to their maturity dates, or to their option dates if according to their terms the bonds have been called for payment before maturity, has been deposited in the place or places where the bonds to be refunded are payable, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8280. ISAACSON MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8280.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.

(3) "District" means Isaacson Municipal Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8280.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Wharton County created under
Sec. 8280.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8280.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Acts of the 71st Legislature, Regular Session, 1989, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its governing body.

Sec. 8280.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.
Directors serve staggered four-year terms.

The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapters 49, 50, and 54, Water Code, applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution.

The district is created to serve a public use and benefit. All land and other property included in the boundaries of the district will benefit from the works and projects that are to be accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

The creation of the district is essential to accomplish the
purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8281.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 696, Acts of the 65th Legislature, Regular Session, 1977, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or any other mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8281.051. COMPOSITION OF BOARD. The board of directors of the district is composed of seven elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8281.052. VACANCIES. The Commissioners Court of Henderson County shall appoint directors to fill all vacancies on the board when the number of qualified directors is fewer than four.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8281.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8281.102. WATER AND SEWER SYSTEMS. (a) The district may acquire, and may improve or extend, any existing water or sewer system that serves all or part of the district territory or may construct a water or sewer system to serve the inhabitants of the county in which the district is located.

(b) A contract to acquire an existing water or sewer facility may be made on terms approved by the contracting parties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8281.103. LIMITATION ON PROVIDING WATER TO CERTAIN USERS. Notwithstanding any other provision of this chapter, the district may not compete with the City of Mabank in providing water to household users unless the district receives permission from the Public Utility Commission of Texas, with the consent of that city.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8281.104. AGRICULTURAL PRODUCTS. The district may produce agricultural products other than livestock on property the district owns or controls and may market those products.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
Sec. 8281.105. VOTER APPROVAL OF TAXES REQUIRED. The district may not impose a tax unless the tax has been approved by the voters at an election called for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8282. FALCON'S LAIR UTILITY AND RECLAMATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8282.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the city of Mesquite.
(3) "District" means the Falcon's Lair Utility and Reclamation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by this chapter.
(c) The creation of the district is essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.

SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT TERRITORY

Sec. 8282.051. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 5(a), Chapter 935, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right or power to issue bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;
(3) the district's authority to impose a tax;
(4) the validity of any contract, agreement, or obligation of the district; or
(5) the legality of the operations or proceedings of the district or the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.052. CITY APPROVAL REQUIRED FOR ANNEXATION. The district must secure the approval of the city, in the form of an ordinance or resolution of the city council of the city, before final annexation of additional land to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. DISTRICT ADMINISTRATION

Sec. 8282.101. COMPOSITION OF BOARD; TERMS. (a) The board consists of five directors.
(b) Directors serve staggered four-year terms, with the terms of two or three directors expiring every other year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.102. VACANCY. (a) Except as provided by Subsection (b), if a vacancy occurs in the office of director, the remaining directors shall appoint a person to fill the vacancy until the next election of directors for the district. If the vacant position is not regularly scheduled to be filled at that election, the person elected at that election to fill the vacancy serves only for the unexpired term.

(b) If the number of qualified directors by reason of vacancies is fewer than three, the city council of the city, on petition of the owners of a majority in value of the land in the district, as shown by the tax rolls of the city, shall appoint the necessary number of directors to fill all vacancies on the board.

(c) The city may not be found liable for an act relating to a district obligation or the operation of the district because of the city's appointment of a director as prescribed by Subsection (b).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.103. OFFICERS AND ASSISTANTS. (a) The board shall reorganize and elect officers after each election and at any other time the board considers appropriate.

(b) The board may designate one or more assistant secretaries and an assistant treasurer. An assistant secretary or assistant treasurer is not required to be a director.

(c) The board secretary or one of the assistant secretaries:

(1) shall keep the minutes of the meetings of the board and all official records of the board; and

(2) may certify as to the accuracy or authenticity of any actions, proceedings, minutes, or records of the board or of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
Sec. 8282.104. COMPENSATION. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director is entitled to receive compensation in an amount not to exceed $50 for each meeting of the board, as determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.105. BOARD PROCEDURES. The board shall provide the method of execution of all contracts, the signing of checks, and the handling of any other matter approved by the board, as shown in the district's official minutes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8282.151. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred, contemplated, and described by Section 59, Article XVI, Texas Constitution, including the rights, powers, privileges, and functions conferred by the general law applicable to municipal utility districts operating under Chapter 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.152. AUTHORITY TO CONSTRUCT OR ACQUIRE WORKS AND FACILITIES. Subject to compliance with applicable codes, ordinances, resolutions, and rules of the city, the district may plan, lay out, purchase, construct, acquire, own, operate, maintain, repair, or improve, inside or outside the boundaries of the district, any works, improvements, facilities, plants, equipment, and appliances, including any administrative buildings, properties, and facilities,
any permits, franchises, licenses, or contract or property rights, and any levees, drains, waterways, lakes, reservoirs, channels, conduits, sewers, dams, storm water detention facilities, or other similar facilities and improvements, whether for municipal, industrial, agricultural, recreational, conservation, reclamation, or flood control purposes, that are necessary, helpful, or incidental to the exercise of any right, power, privilege, or function provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.153. ROADS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may provide for the construction, maintenance, and operation of a macadamized, graveled, or paved road or turnpike, or a work, facility, or improvement in aid of a road or turnpike, inside or outside the district's boundaries.

(b) Subject to compliance with Sections 8282.252(a) and (b), the district may issue, sell, and deliver bonds, notes, or other district obligations for a purpose described by Subsection (a) and may impose taxes to pay the bonds.

(c) Without the city's consent and approval, the district may not undertake to construct, maintain, operate, repair, reconstruct, cross, or intersect any city street or road.

(d) Sections 49.181, 49.182, and 54.5161, Water Code, do not apply to projects undertaken by the district under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.154. IMPROVEMENT PROJECTS AND SERVICES. (a) The board may undertake an improvement project or service that confers a special benefit on all or a definable part of the district.

(b) The board may levy and collect special assessments on property in the area described by Subsection (a), based on the benefit conferred by the improvement project or service, to pay all or part of the cost of the project or service.

(c) An improvement project or service provided by the district may include the acquisition, construction, or financing of water,
wastewater, or drainage facilities, streets, sidewalks, or roadways.

(d) Sections 375.113-375.124, Local Government Code, apply to the financing of an improvement project or service under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.155. FIRE DEPARTMENT. (a) The district may establish, operate, and maintain a fire department to perform all firefighting activities in the district and may issue bonds and impose taxes to pay for the department and the activities, as authorized by Section 59(f), Article XVI, Texas Constitution, and Section 49.351, Water Code. For purposes of this chapter, a reference in Section 49.351, Water Code, to the Texas Commission on Environmental Quality or the executive director of the commission means the city council of the city.

(b) The city has the superior right to provide the degree of firefighting services the city considers to be in the city's best interests.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.156. DISTRICT CONTRACTS. (a) Except as provided by this section, a contract for the purchase or construction of materials, machinery, or other things used to constitute the district's works, improvements, facilities, plants, equipment, or appliances must be advertised, let, and awarded as provided by Section 49.273, Water Code.

(b) If the district determines, after a contract has been awarded, that additional work is needed or that the character or type of the work or facilities should be changed, the board may authorize change orders to the contract on terms the board approves, provided the change does not increase the total cost of the contract by more than 25 percent.

(c) The district must seek informal competitive bids or proposals from at least three bidders if:

(1) the estimated amount of a proposed construction
contract is more than $5,000 but less than $25,000; or
(2) the duration of a proposed construction contract is more than two years.

(d) A contract must be written and awarded to the lowest and best bidder.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.157. GENERAL CONTRACTING AUTHORITY. (a) The district may contract with the United States, this state or its agencies, the city, any other public agency or entity, or an individual, corporation, or other entity for the operation and maintenance or the construction of any facility or improvement authorized by this chapter.

(b) A contract that obligates the district to make payments in whole or in part from ad valorem taxes, other than maintenance taxes, is subject to approval at an election held under the same procedures required for the issuance of bonds payable from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.158. WATER AND SEWER CONTRACTS. (a) The district and the city may enter into, execute, and perform contracts under Section 552.014, Local Government Code, as they consider to be appropriate and mutually advantageous.

(b) A contract under this section may provide for the district's acquisition for the benefit of the city and the district's conveyance to the city of, and the city's acceptance and ownership of and payment for, all or any designated portion of any of the works, facilities, improvements, equipment, appliances, properties, and contract rights as provided by Section 552.014, Local Government Code, that:

(1) the district is authorized under this chapter to purchase, acquire, construct, own, or improve; and

(2) the city, under its home-rule charter or under general law, would have been or may be authorized to purchase, acquire, construct, own, or improve in its own name or behalf.
Sec. 8282.159. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain in the manner, with the privileges, rights, and immunities, and subject to the conditions and limitations provided by Sections 49.222 and 49.223, Water Code, to acquire land, an easement, a right-of-way, or other property or improvement that is or may be needed to carry out the district's powers, purposes, and functions.

(b) Without the city's advance written consent and approval, the district may not begin eminent domain proceedings for a purpose described by Subsection (a).

(c) Without approval by city ordinance or resolution, the district may not exercise the power of eminent domain to acquire any land, easement, right-of-way, or other property or improvement owned by the city or any city agency or instrumentality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.160. PROVISION OF WATER AND SEWER SERVICES BY CITY. (a) Notwithstanding Section 8282.157(a), to the extent that the city considers practical, the city may provide water supply and sewer services to residential retail customers in the district and may provide water supply and wastewater treatment services to the district, under a mutually agreeable contract or otherwise.

(b) The district is responsible for an off-site extension that is required to provide water supply and sewer service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.161. REGULATORY AUTHORITY. (a) With respect to district property, the district has the regulatory and police power provided by Chapters 49 and 54, Water Code, except as limited by this section.

(b) Except with respect to any rules relating to the operation,
use, or occupancy of the lakes, reservoirs, levees, channels, drains, dams, and contiguous or adjacent facilities constructed or to be constructed and owned or controlled by the district, the board may not adopt a rule that includes a penal provision to be enforced by a district peace officer unless the city has approved the adoption of the rule. The proposed rule must be presented to the city for the city's review and approval at least 30 days before the rule's effective date.

(c) The district may not adopt a penal rule that conflicts or is inconsistent with any ordinance of general applicability in the city.

(d) The district may not adopt or enforce a rule relating to the city's streets or roads.

Sec. 8282.162. POLICE PROTECTION. Except for providing for the security of lakes, reservoirs, levees, channels, drains, dams, and contiguous and adjacent facilities, excluding parks and streets owned or controlled by the district, the district may not provide peace officers or have responsibility for police protection in the city's corporate limits. That function is a responsibility of the city.

Sec. 8282.163. DISTRICT ELECTIONS. (a) The board shall order each election the district is required to hold.

(b) Notice of a district election must be published once a week for two consecutive weeks in a newspaper with general circulation in the city, with the first publication occurring at least 14 days before the date of the election.

(c) A district election held for any purpose may be held separately or at the same time as an election for another purpose including a director or maintenance tax election that may be held on the same day as a bond election or another election. An election held at the same time as an election for another purpose may be called by the board in a single election order, and the results may
be canvassed in a single order.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.164. APPLICABILITY OF CITY ORDINANCES, CODES, RESOLUTIONS, AND RULES. Except as expressly provided, this chapter does not exempt the district from the terms of any applicable ordinances, codes, resolutions, or rules of the city.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8282.201. GENERAL FINANCIAL POWERS. The board may:

(1) spend and borrow money;
(2) issue bond anticipation notes and tax anticipation notes;
(3) impose maintenance taxes; and
(4) carry out all acts and exercise all powers provided by Subchapter E, Chapter 49, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.202. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) Subchapter G, Chapter 54, Water Code, applies to all matters relating to the imposition of district taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.203. TAX COLLECTOR. (a) The board shall appoint a person as tax collector for the district and may appoint deputies considered necessary.

(b) Each person appointed under this section shall qualify by
executing a bond in the amount of $10,000 payable to the district, approved by the board, and conditioned on the faithful performance of the person's duties.

(c) The board shall set the compensation for the tax collector and any deputy tax collector.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.204. USE OF MAINTENANCE TAX. (a) The board may use and pledge the proceeds received from all or any designated portion of the district's maintenance taxes for any lawful purpose, other than the payment of the principal of or interest on bonds. Bonds must be paid from taxes imposed separately to the extent that those bonds are required to be paid from taxes.

(b) The district may not use maintenance taxes for the purpose of maintaining, repairing, operating, or improving any of the works, facilities, and improvements described by Section 8282.153 until the district has complied with Sections 8282.252(a) and (b).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.205. DEPOSIT AND SECURITY OF DISTRICT MONEY. (a) The district's treasurer shall have district money deposited and invested in the district's depository bank or other banks or savings associations selected by the district's authorized investment officers.

(b) To the extent that deposited or invested money is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.206. INVESTMENT OF DISTRICT MONEY. At the direction of the board or any other authorized district representative or
investment officer, district money may be invested in direct or indirect obligations of the United States, the state, or any political subdivision of the state, or may be placed in certificates of deposit of state or national banks or savings and loan associations in this state, if that money is secured in the manner provided for the security of county funds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER F. BONDS**

Sec. 8282.251. AUTHORITY TO ISSUE BONDS. The board may issue bonds as provided by general law, including Sections 54.501-54.515 and 54.518-54.521, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.252. AUTHORITY TO ISSUE BONDS FOR ROADS AND TURNPIKES. (a) The district may not issue bonds for a purpose described by Section 8282.153 unless the bonds are approved by a vote of a two-thirds majority of the voters voting in the district or the territory to be affected by the bonds.

(b) Bonds, notes, or other district obligations issued or incurred for a purpose described by Section 8282.153 may not exceed one-fourth of the assessed valuation of the real property of the district or the territory to be affected by the bonds.

(c) Sections 49.181, 49.182, and 54.5161, Water Code, do not apply to bonds issued by the district as provided by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8282.253. AUTHORITY TO ISSUE BONDS FOR IMPROVEMENT PROJECTS OR SERVICES. (a) To pay all or part of the costs of an improvement project or service under Section 8282.154, the board may issue bonds in one or more series payable from and secured by ad valorem taxes, assessments, impact fees, revenues, payments pursuant
to an agreement made under Section 311.010(b), Tax Code, dedicating revenue from a tax increment fund, grants, gifts, contracts, or leases or any combination of those sources of money.

(b) Bonds issued under this section may be liens on all or part of the revenue derived from improvements authorized under Section 8282.154, including installment payments of special assessments or from any other source pledged to their payment.

(c) Sections 375.202-375.206, Local Government Code, apply to bonds issued under this section.

(d) Sections 49.181 and 49.182, Water Code, do not apply to:

(1) bonds issued by the district and payable from:

(A) assessments imposed by the district under Section 8282.154 that are paid in full on the first conveyance of land after imposition of the assessment; or

(B) payments pursuant to an agreement made under Section 311.010(b), Tax Code, dedicating revenue from a tax increment fund; or

(2) a project that is financed by an issuance of bonds described by Subdivision (1).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.020(a), eff. September 1, 2011.
Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.020(b), eff. September 1, 2011.

Sec. 8282.254. OBLIGATIONS. (a) In this section, "obligation" means a bond, note, lease-purchase agreement, or installment sale obligation of the district.

(b) The principal amount of the district's obligations that are payable from assessments imposed by the district may be in an amount that does not exceed the aggregate appraised value of the property in the district, as established by an independent appraisal by a member of the Appraisal Institute.

(c) The appraised value of the property in the district established for ad valorem tax purposes does not limit the principal amount of the obligations that may be issued by the district under
Subsection (b).

(d) The city is not required to pay the principal of and interest on an obligation issued by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8283. GREATER TEXOMA UTILITY AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8283.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the authority.
(2) "Director" means a member of the board.
(3) "Authority" means the Greater Texoma Utility Authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.002. NATURE OF AUTHORITY. (a) The authority is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

(b) The authority is a political subdivision of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The authority is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the authority will benefit from the works and projects accomplished by the authority under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the authority is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
SUBCHAPTER B. AUTHORITY TERRITORY; ANNEXATION

Sec. 8283.051. AUTHORITY TERRITORY. The authority is composed of the territory that was included in the corporate boundaries of the cities of Denison and Sherman on May 2, 1979, as that territory may have been modified under:

(1) Section 2 or 4, Chapter 97, Acts of the 66th Legislature, Regular Session, 1979;
(2) Subchapter H, Chapter 54, Water Code;
(3) Subchapter J, Chapter 49, Water Code; or
(4) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.052. ANNEXATION. (a) The authority may annex territory only as specified by this section.

(b) A municipality, by resolution or ordinance adopted by its governing body, may request that the territory then included in its corporate limits be annexed to the authority. On receipt of the request, the board shall proceed in the manner provided by Subsections (d) and (e).

(c) Territory that is annexed to a municipality after May 2, 1979, or after annexation of the municipality to the authority may be annexed to the authority if the board determines the annexation should be considered and proceeds in the manner provided by Subsections (d) and (e).

(d) Under the circumstances described by this section, the board shall call and hold a public hearing to determine if the territory should be annexed. Notice of the hearing must be published at least:

(1) once in a newspaper of general circulation in the area of the authority and the territory proposed to be annexed; and
(2) 10 days before the date set for the hearing.

(e) If at the conclusion of the hearing the board finds that the annexation would be in the best interest of the territory to be annexed, the area in the authority, and the inhabitants of both, it shall enter an order to that effect. The order finally annexes the territory to the authority.

(f) An action to review the annexation of territory to the
authority may be brought in a district court in the county where the principal office of the authority is located. An annexation may be set aside for fraud or abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER C. BOARD OF DIRECTORS**

Sec. 8283.101. COMPOSITION OF BOARD; TERMS. (a) The board consists of at least six and not more than nine directors appointed as follows:

(1) three directors appointed by the governing body of the City of Denison;

(2) three directors appointed by the governing body of the City of Sherman; and

(3) any directors appointed under Sections 8283.102 and 8283.103.

(b) Except for a director appointed under Section 8283.103, a director serves a two-year term that begins January 1 following the director's appointment.

(c) A director's term may not be shortened because of the annexation of a municipality under Section 8283.102 or 8283.103.

(d) The City of Denison or the City of Sherman by ordinance may provide for staggered terms for directors it appoints, but the term of an incumbent may not be shortened or be longer than two years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.102. APPOINTMENT OF DIRECTORS BY HOME-RULE MUNICIPALITIES. (a) If a home-rule municipality is annexed, the governing body of the municipality shall appoint a director whose term begins January 1 following the annexation.

(b) If more than two home-rule municipalities are annexed, those municipalities are collectively entitled to appoint two directors and shall designate their directors by any method agreed to by those municipalities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
Sec. 8283.103. APPOINTMENT OF DIRECTORS BY MUNICIPALITIES OTHER THAN HOME-RULE MUNICIPALITIES. Municipalities, other than home-rule municipalities, are collectively entitled to appoint one director and shall designate their director by any method agreed to by those municipalities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.104. QUALIFICATIONS FOR OFFICE. (a) Each director must be a qualified voter of the municipality that appoints the director.

(b) An officer, employee, or member of the governing body of a municipal corporation may not be a director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.105. BOARD VACANCY. A vacancy in the office of director shall be filled for the unexpired term, if applicable, by the governing body of the municipality that appointed the previous director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.106. REMOVAL FROM OFFICE. (a) Under procedures adopted by board rule, the board may remove a director from office only for malfeasance in office.

(b) The procedures must be designed to guarantee due process to the director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8283.107. VOTING REQUIREMENT. A majority vote of the board is required to adopt any measure.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8283.151. MUNICIPAL UTILITY DISTRICT POWERS. Except as otherwise provided by this chapter, the authority has the rights, powers, privileges, and functions conferred and imposed by the general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 30, 49, and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.152. ACQUISITION AND USE OF PROPERTY. The authority may operate, control, purchase, construct, lease, or acquire, inside or outside the boundaries of the authority, property, works, facilities, or improvements, whether previously existing or to be made, constructed, or acquired, that the board finds necessary to carry out the powers granted by this chapter or general law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.153. WATER RIGHTS. The authority may acquire, develop, and use rights to groundwater or surface water.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.154. EMINENT DOMAIN. To carry out an authority power or purpose, the authority, in the manner provided by Chapter 49, Water Code, may exercise the power of eminent domain to acquire land, an easement, or other property inside or outside the authority's
Sec. 8283.155. GENERAL CONTRACT POWERS. (a) The authority may enter into a contract with a person, including a political subdivision, on terms the board considers desirable, fair, and advantageous for:

(1) the purchase or sale of raw or treated water;

(2) the purchase, lease, use, management, control, or operation of water treatment or distribution facilities or sewer collection and treatment facilities, all or part of the facilities or systems owned by the other political subdivision, in accordance with terms mutually agreed on by the governing bodies of the contracting parties; or

(3) planning, making preliminary surveys, investigations, or feasibility reports, engineering, or reports of any kind.

(b) A contract for the acquisition of an existing water or sewer facility may be made on terms approved by the contracting parties.

(c) If changes in plans or specifications are necessary after performance of a construction contract begins, the board may approve change orders necessary to decrease or increase the amount of materials, equipment, or supplies to be provided under the contract or the amount of work to be performed. The total cost of the change orders may not increase the original contract price by more than 25 percent.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 334 (H.B. 2809), Sec. 1, eff. June 17, 2011.

Sec. 8283.156. WATER, SEWER, SOLID WASTE, OR DRAINAGE CONTRACTS; ELECTION NOT REQUIRED. The authority and a municipal corporation or other political subdivision may enter into a water, sewer, solid waste, or drainage contract or any combination of those
contracts without the necessity of an election by any contracting party to approve the contract.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.157. TREATMENT OF PAYMENTS UNDER CERTAIN MUNICIPAL CORPORATION CONTRACTS. A payment by a municipal corporation for the purchase of water or the treatment and disposal of sewage is a maintenance and operating expense of the utility system or combined systems of the municipal corporation unless the contract:

(1) provides for the municipal corporation to acquire an ownership interest in the facilities; or
(2) makes other provisions.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.158. STANDARD SPECIFICATIONS FOR FACILITIES IN GRAYSON COUNTY. (a) In this section, "commission" means the Texas Commission on Environmental Quality or its successor.

(b) Subject to Subsection (f), for area in Grayson County, the authority by order may adopt standard specifications for facilities designed or constructed to:

(1) store, treat, or transport water for domestic, municipal, or industrial purposes to ensure that the facilities are adequate in design to serve the needs of the area's inhabitants;
(2) collect, treat, and dispose of sewage; or
(3) dispose of solid waste.

(c) Before the specifications become final, the board must hold a public hearing. The board must give notice of the hearing to the commission and must publish in a newspaper of general circulation in the area notice of the hearing one time at least 10 days before the date of the hearing so that any interested party may present evidence for or against a proposed specification.

(d) An appeal of an order adopting standard specifications may be made to a district court of Grayson County. The substantial evidence rule applies to the appeal.

(e) The authority is entitled to seek an injunction against:
(1) the construction of a facility, including an extension to an existing facility, if the construction does not meet the authority's standard specifications; or

(2) the operation of a facility if construction has begun and the facility does not meet those specifications.

(f) A standard specification adopted under this section does not apply to an area that, on the date the order is adopted, is located inside the corporate boundaries or the extraterritorial jurisdiction of a municipality unless approved by the governing body of the municipality.

(g) The authority shall file the standard specifications with the commission.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.159. TAX PROHIBITION. The authority may not impose a tax.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER E. BONDS**

Sec. 8283.201. REVENUE BONDS. The authority may issue revenue bonds to carry out any of its powers, functions, or obligations.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8283.202. BONDS FOR CERTAIN FACILITIES. If the authority operates a facility under contract with a municipal corporation, it may, if the contract permits the issuance, issue bonds to improve or extend the facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
CHAPTER 8284. GREENWOOD UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8284.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Greenwood Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 616, Acts of the 61st Legislature, Regular Session, 1969, as that territory may
have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9, Chapter 616, Acts of the 61st Legislature, Regular Session, 1969; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.005. EXPANSION OF DISTRICT. (a) If land is annexed to the district under Section 49.301, Water Code, the board may require the petitioners to:
(1) assume the petitioners' pro rata share of the voted but unissued bonds of the district; and
(2) authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.
(b) If land is annexed to the district under Section 49.302, Water Code, the board may submit to the voters of the area to be annexed a proposition on the question of the assumption by the area to be annexed of its part of the voted but not yet issued or sold tax or tax-revenue bonds of the district and the imposition of an ad valorem tax on taxable property in the area to be annexed along with a tax in the rest of the district for the payment of the bonds.
(c) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued tax or tax-revenue bonds regardless of changes to district boundaries since the original voting or authorization of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8284.006. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and duties are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the effect on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8284.051. COMPOSITION OF BOARD. The board consists of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.052. APPOINTMENT OF TREASURER. The board may appoint the treasurer.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.053. DIRECTOR'S AND TREASURER'S BONDS. (a) Each director shall qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The treasurer shall give bond in the amount required by the board. The treasurer's bond shall be conditioned on the treasurer's faithful accounting for all money that comes into the treasurer's custody as treasurer of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8284.054. ABSENCE OR INACTION OF BOARD PRESIDENT. (a) When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter or general law gives the president.

(b) If the board president is absent from a board meeting:
   (1) the board vice president may sign an order or other action adopted at the meeting; or
   (2) the board may authorize the president to sign the order or other action.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.055. DISTRICT OFFICE. (a) Except as provided by this section, the board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by:
   (1) filing a copy of the board resolution that establishes the location of the office:
      (A) with the Texas Commission on Environmental Quality; and
      (B) in the municipal utility district records of the county in which the district is located; and
   (2) publishing notice of the location of the office in a newspaper of general circulation in the county in which the district is located.

(c) A district office that is a private residence, office, or dwelling is a public place for matters relating to the district's business.

(d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8284.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has all of the rights, powers, privileges, and functions conferred and imposed by the general law of this state relating to municipal utility districts created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.102. ADDITIONAL POWERS. (a) The district may:

(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, existing improvements, or improvements to be made, constructed, or acquired that are:

(A) inside or outside the district's boundaries; and

(B) necessary to carry out the powers granted by this chapter or general law; or

(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:

(A) the purchase or sale of water;

(B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;

(C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and

(D) the performance of any of the powers granted by this chapter or the general law relating to municipal utility districts.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8284.103. EMINENT DOMAIN. The district may exercise the power of eminent domain only:
(1) in the county in which the district is located; and
(2) when necessary to carry out the purposes for which the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.
(b) If the district's exercise of the power of eminent domain makes necessary the relocation, raising, lowering, rerouting, changing the grade, or alteration of the construction of a highway, a railroad, an electric transmission line, a telegraph or telephone property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.105. NOTICE OF ELECTION. The board president or secretary may give notice of an election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8284.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.
(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
Sec. 8284.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.153. FISCAL YEAR. The fiscal year of the district is from January 1 to December 31 of the same year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.154. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered:

(1) to each director; and
(2) to a holder of at least 25 percent of the outstanding bonds of the district, on request.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.155. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:

(1) district property; or
(2) a purchase made by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8284.156. DEPOSITORY. (a) The board shall select one or more banks in this state to act as depository for the district's money.

(b) To the extent that money in the depository bank is not...
insured by the Federal Deposit Insurance Corporation, the money must
be secured in the manner provided by law for the security of county
funds.

(c) A director may be a shareholder in a bank that is a
depository of district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.

**SUBCHAPTER E. BONDS**

Sec. 8284.201. LOST OR MUTILATED BONDS. A trust indenture
securing bonds issued under this chapter may provide for the issuance
of bonds to replace lost or mutilated bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.

Sec. 8284.202. USE OF BOND PROCEEDS DURING CONSTRUCTION. (a) The district may appropriate or set aside out of the proceeds from
the sale of any bonds issued under this chapter an amount for the
payment of interest, administrative, and operating expenses expected
to accrue during a period of construction, as may be provided in the
bond orders or resolutions.

(b) For purposes of this section, the period of construction
may not exceed three years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
eff. April 1, 2011.

Sec. 8284.203. REFUNDING BONDS. (a) By order or resolution
adopted by the board, the district may issue tax or revenue refunding
bonds or tax-revenue refunding bonds to refund revenue bonds or tax-
revenue bonds, whether original bonds or refunding bonds, previously
issued by the district.

(b) The comptroller shall register the refunding bonds on the
surrender and cancellation of the bonds to be refunded.

(c) Instead of issuing bonds to be registered on the surrender
and cancellation of the bonds to be refunded, the district, in the
order or resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in the place or places where the bonds to be refunded are payable. In that case, the refunding bonds may be issued if an amount sufficient to pay the principal of and interest on the bonds to be refunded to their maturity dates, or to their option dates if according to their terms the bonds have been called for payment before maturity, has been deposited in the place or places where the bonds to be refunded are payable, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8285. MALCOMSON ROAD UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8285.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Malcomson Road Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8285.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8285.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8285.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 658, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

1. Subchapter H, Chapter 54, Water Code;
2. Subchapter J, Chapter 49, Water Code; or
3. other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

1. the district's organization, existence, or validity;
2. the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. the district's right to impose a tax; or
4. the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8285.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8285.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including
Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8286. MASON CREEK UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8286.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Mason Creek Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8286.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8286.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8286.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 664, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may
have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for the purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8286.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8286.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**CHAPTER 8287. MONTGOMERY COUNTY UTILITY DISTRICT NO. 2**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8287.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
Sec. 8287.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8287.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit. 
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8287.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 635, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a
purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8287.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8287.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

**CHAPTER 8288. MEEKER MUNICIPAL WATER DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8288.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Bond" means a bond or note.
(3) "Director" means a member of the board.
(4) "District" means the Meeker Municipal Water District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.002. NATURE OF DISTRICT. The district is a
conservation and reclamation district in Jefferson County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect the purposes, powers, rights, and functions stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 714, Acts of the 65th Legislature, Regular Session, 1977, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to issue bonds or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

(c) The board may redefine the boundaries of the district to correct any mistake in the field notes appearing in Section 1, Chapter 714, Acts of the 65th Legislature, Regular Session, 1977.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8288.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of nine elected directors, each of whom occupies a numbered place on the board.

(b) Directors serve staggered terms.

(c) Director elections must be held in the manner provided in the Water Code for municipal utility districts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.052. QUALIFICATIONS FOR OFFICE. To be eligible to be elected or to serve as a director, a person must be a resident, qualified voter of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.053. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a) The district shall act through orders or resolutions adopted by the board.

(b) All directors are entitled to vote.

(c) The affirmative vote of a majority of the directors in attendance, but not fewer than five directors, is necessary to adopt an order or resolution.
Sec. 8288.054. OFFICERS AND ASSISTANTS. (a) The board shall elect a president, vice president, secretary, and treasurer.
(b) The board shall elect the president and vice president from among the directors.
(c) The president serves for a one-year term.
(d) The offices of secretary and treasurer:
(1) may be held by one person; and
(2) are not required to be held by a director.
(e) The board may appoint one or more assistant officers who are not required to be directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.055. OFFICER DUTIES. (a) The board president shall preside at board meetings and perform other duties prescribed by the board.
(b) The board secretary is the official custodian of the minutes, books, records, and seal of the board and shall perform other duties and functions prescribed by the board.
(c) The board treasurer shall perform duties and functions prescribed by the board.
(d) An assistant officer may perform any duties or functions as may be prescribed by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.056. MEETINGS. The board shall have regular meetings at times specified by board resolution or bylaws and shall have special meetings when called by the board president or by any three directors.
Sec. 8288.101. DISTRICT POWERS. The district may exercise any power necessary or appropriate to achieve the purposes of this chapter, including the power to:

1. adopt an official seal;
2. adopt and enforce:
   (A) bylaws and rules for the conduct of its affairs;
   and
   (B) any rule that a municipal utility district may adopt and enforce under Section 54.205 et seq., Water Code;
3. acquire, hold, use, invest, reinvest, and dispose of its receipts and money from any source;
4. select a depository or depositories;
5. acquire, own, rent, lease, accept, hold, or dispose of property or an interest in property, including a right or easement, by purchase, exchange, gift, assignment, condemnation, sale, lease, or other means, in performing a duty or exercising a power under this chapter;
6. hold, manage, operate, or improve property;
7. lease or rent any land, buildings, structures, or facilities from or to any person;
8. sell, assign, lease, encumber, mortgage, or otherwise dispose of property or an interest in property, and release or relinquish a right, title, claim, lien, interest, easement, or demand, regardless of the manner in which acquired, and conduct a transaction authorized by this subdivision by public or private sale, notwithstanding any other law;
9. in the manner and to the extent permitted by this chapter:
   (A) borrow money for a corporate purpose;
   (B) enter into an agreement in connection with the borrowing;
   (C) issue bonds for money borrowed;
   (D) provide for and secure the payment of the bonds;
   and
   (E) provide for the rights of the holders of the bonds;
(10) request and accept an appropriation, grant, allocation, subsidy, guaranty, aid, service, material, or gift from any public or private source, including the federal government, the state, a public agency, or a political subdivision;

(11) operate and maintain an office; and

(12) appoint and determine the duties, tenure, qualifications, and compensation of officers, employees, agents, and professional advisors and counselors considered necessary or advisable by the board, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.102. GENERAL POWERS REGARDING WATER. The district has all rights, powers, and privileges necessary or useful to enable it to acquire, provide, supply, deliver, and sell potable water inside or outside its boundaries for any beneficial purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.103. GENERAL POWERS REGARDING WASTE. The district has all rights, powers, and privileges necessary or useful to enable it to collect, transport, dispose of, and control domestic, industrial, or communal wastes, whether in fluid, solid, or composite state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.104. GENERAL POWERS REGARDING GARBAGE COLLECTION AND DISPOSAL. The district has all rights, powers, and privileges necessary or useful to enable it to provide for garbage collection and disposal in all or part of the district on terms and at rates and charges the board considers just and reasonable to:

(1) preserve the water of rivers and streams in this state; and
(2) aid in the preservation and conservation of the natural resources of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.105. GENERAL CONTRACT POWERS. (a) The district may enter into and enforce a contract or agreement necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred on the district by this chapter or the general law, including a contract or agreement with any person as the board considers necessary or proper for, or in connection with, any power or function of the district for:

(1) the purchase or sale of water;
(2) the collection, transportation, processing, or disposal of waste; or

(3) the construction, acquisition, ownership, financing, operation, maintenance, sale, leasing to or from, or other use or disposition of any facilities authorized to be developed, acquired, or constructed under this chapter or the general law.

(b) The authority to enter into or enforce the contract or agreement includes the authority to enter into or enforce a contract or agreement regarding:

(1) any improvements, structures, facilities, equipment, and other property of any kind in connection with the subject of the contract or agreement;
(2) any land, leaseholds, and easements; and
(3) any interests in the property.

(c) The contract or agreement:

(1) may not have a term of more than 40 years; and
(2) may contain provisions the board determines to be in the best interest of the district.

(d) The district may pledge all or part of its revenue to the payment of its obligations under the contract or agreement to the same extent and on the same conditions as it may pledge revenue to secure district bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8288.106. AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A public agency or political subdivision of this state may enter into a contract or agreement with the district, on terms agreed to by the parties, for:

(1) the purchase or sale of water;
(2) waste collection, transportation, processing, or disposal; or
(3) any purpose relating to the district's powers or functions.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.107. CONVEYANCE OF PROPERTY TO DISTRICT. A public agency or political subdivision of this state may lease, sell, or otherwise convey to the district, for any consideration that the parties agree is adequate, any of its land, improvements, property, plants, lines, or other facilities related to:

(1) the supply of water; or
(2) waste collection, transportation, processing, or disposal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.108. ACQUISITION OF EXISTING FACILITIES. If the district acquires existing works, improvements, facilities, plants, equipment, or appliances that are completed, partially created, or under construction, the district may:

(1) assume the contracts and obligations of the previous owner; and
(2) perform the obligations of the previous owner in the same manner and to the same extent that any other purchaser or assignee would be bound.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8288.109. EMINENT DOMAIN. (a) To carry out a power conferred by this chapter, the district may exercise the power of eminent domain inside or outside the district to acquire the fee simple title to land, or any other interest in land as determined by the board, and other property and easements, necessary for water wells, water or sewer treatment plants, water or sewer lines, pumping stations and force mains, storage tanks, or other similar facilities.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.110. COST OF RELOCATING OR ALTERING PROPERTY; RIGHTS-OF-WAY AND EASEMENTS. (a) If the district's exercise of its eminent domain, police, or other power requires relocating, raising, lowering, rerouting, or changing the grade of or altering the construction of any highway, railroad, electric, transmission, telegraph, or telephone line, conduit, pole, property, or facility or pipeline, the action shall be accomplished at the sole expense of the district. The term "sole expense" means the actual cost of the lowering, rerouting, or change in grade or alteration of construction to provide a comparable replacement without enhancing the facility, after deducting from the cost the net salvage value derived from the old facility.

(b) The district has all necessary or useful rights-of-way and easements along, over, under, and across all public, state, municipal, and county roads, highways, and places for any of its purposes. The district shall restore a used facility to its previous condition as nearly as possible at the sole expense of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8288.151. IMPOSITION OF MAINTENANCE TAX; PROHIBITION ON OTHER TAXES OR ASSESSMENTS. (a) The district may impose a tax, not to exceed 10 cents on each $100 of the assessed value of taxable property in the district according to the most recent certified tax
appraisal roll of the district, for:

(1) maintenance purposes, including money for studying, planning, maintaining, repairing, and operating all necessary plants, works, facilities, improvements, appliances, and equipment of the district;

(2) paying costs of proper services, engineering, and legal fees; and

(3) organization and administrative expenses.

(b) The district may not impose a maintenance tax unless the tax is approved by a majority of the voters voting at an election held for that purpose.

(c) Except for the maintenance tax authorized by this section, the district may not under this chapter or any other law levy or collect a tax or assessment or create a debt payable from a tax or assessment.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.152. ELECTION TO IMPOSE TAX. (a) The board may order an election to impose a maintenance tax. The election order must specify:

(1) the time and place of the election;
(2) the maximum amount of tax to be authorized;
(3) the form of the ballot; and
(4) other matters the board considers necessary or advisable.

(b) Notice of the election must be given by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper of general circulation in the district. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.153. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the district to serve as the depository for the district's money.
(b) All district money shall be deposited in the depository designated by the board, except that:

(1) bond proceeds and money pledged to pay bonds, to the extent provided in a resolution or trust indenture authorizing or securing district bonds, may be deposited with another bank or trustee named in the bond resolution or trust indenture; and

(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

(c) To the extent that money in a depository bank or the trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of the county funds in this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.154. INVESTMENT OF DISTRICT MONEY. The board may invest district money in obligations and make time deposits of district money in a manner determined by the board or in the manner permitted or required in a resolution or trust indenture authorizing or securing district bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.155. DISTRICT FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The district is not required to pay a tax or assessment on its facilities or any part of its facilities. (Acts 65th Leg., R.S., Ch. 714, Sec. 22 (part).)

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 8288.201. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds payable from and secured by district revenue to carry out any power conferred by this chapter. The bonds must be authorized by a board resolution.
(b) The bonds must be issued in the manner and under the terms of the resolution authorizing the issuance of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.202. FORM OF BONDS. District bonds must be:
(1) issued in the district's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.203. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.204. BONDS SECURED BY REVENUE; ADDITIONAL BONDS. (a) District bonds may be secured by a pledge of all or part of the district's revenue, or by all or part of the payments or rentals under one or more contracts or leases specified by board resolution or a trust indenture securing the bonds.

(b) A resolution authorizing the issuance of bonds secured by a pledge of revenue of all or part of the district's facilities may provide that the district shall first pay the expenses of operating and maintaining all or part of the facilities as the board considers appropriate before paying the principal of and interest on the bonds.

(c) In a resolution authorizing the issuance of bonds secured by revenue, contract payments, or lease rentals, the district may reserve the right, under conditions specified by the resolution, to issue additional bonds that will be on a parity with, superior to, or subordinate to the bonds then being issued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
Sec. 8288.205. ADDITIONAL SECURITY. (a) District bonds may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on all or part of the district's physical property, facilities, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee power to:

1. sell the property for the payment of the debt;
2. operate the property; and
3. take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust lien, if one is given:

1. is the absolute owner of the property, facilities, and rights purchased; and
2. is entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.206. TRUST INDENTURE. District bonds authorized by this chapter, including refunding bonds, may be additionally secured by a trust indenture. The trustee may be a bank with trust powers that is located inside or outside the state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.207. CHARGES FOR DISTRICT SERVICES. If district bonds payable wholly from revenue are issued, the board shall set and revise the rates, fees, and charges assessed for water sold and waste collection and treatment services provided by the district. The rates, fees, and charges must be sufficient to:

1. pay the expense of operating and maintaining the district facilities that generate the revenue from which the bonds will be paid;
2. pay the principal of and interest on the bonds when due; and
(3) maintain the reserve fund and other funds as provided in the resolution authorizing the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.208. STATE PLEDGE REGARDING RIGHTS AND REMEDIES OF BONDHOLDERS. Without depriving this state of its power to regulate and control the rates, fees, and charges assessed for water sold and waste collection and treatment services provided by the district, the state pledges to and agrees with the holders of district bonds that the state will not exercise its power to regulate and control the rates, fees, and charges in any way that would impair the rights or remedies of the holders of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.209. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of district bonds for:

(1) the payment of interest expected to accrue during construction not to exceed three years;
(2) a debt service reserve fund; and
(3) other funds as may be provided in the resolution authorizing the bonds or in the trust indenture.

(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purpose of the district, including any expense of issuing and selling the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.210. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on district bonds that are payable wholly or partly from revenue, a court may, on petition of the holders of at least 25 percent of the district's outstanding revenue bonds, appoint a receiver for the district.
(b) The receiver may collect and receive all district revenue, other than taxes, employ and discharge district agents and employees, and take charge of money on hand, other than money received from taxes, unless commingled, and or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or the collection or treatment of waste or to renew contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the holders of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.211. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding district bonds and interest on those bonds. Refunding bonds may be issued without an election.

(b) Refunding bonds may:

(1) be issued to refund bonds of more than one series;
(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or
(3) be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest and any required redemption premium on the bonds to be refunded to any redemption date or to their maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

(f) The district may also issue refunding bonds under any other
applicable law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.212. OTHER REMEDIES AND COVENANTS. The resolution authorizing the issuance of any district bonds authorized under this chapter, including refunding bonds, or the trust indenture securing the bonds, may provide other remedies and covenants the board considers necessary to issue the bonds on the most favorable terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.213. LIMITATION ON RIGHTS OF BONDHOLDERS. The resolution authorizing the bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8288.214. BONDS EXEMPT FROM TAXATION. A district bond, the transfer of the bond, and the income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8289. MEMORIAL POINT UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8289.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Memorial Point Utility District.
Sec. 8289.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Polk County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8289.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8289.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 423, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its
governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8289.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8289.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8290. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8290.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Montgomery County Municipal Utility District No. 6.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8290.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04,
Sec. 8290.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8290.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 693, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bonds for a purpose for which the district is created or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8290.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.
Sec. 8290.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Sec. 8291.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Montgomery County Municipal Utility District No. 7.

Sec. 8291.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Sec. 8291.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the
purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8291.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 694, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bonds for a purpose for which the district is created or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8291.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8291.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.
Sec. 8292.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Montgomery County Municipal Utility District No. 67.

Sec. 8292.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Sec. 8292.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8292.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 756, Acts of the 69th Legislature, Regular Session, 1985, as that territory may
have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bonds for a purpose for which the district is created or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8292.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five elected directors.  

(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8292.052. BOARD VACANCY. (a) Except as provided by Subsection (b), if a director fails to qualify for office, the remaining directors shall appoint a person to fill the vacancy until the next election of directors for the district. If the vacant position is not regularly scheduled to be filled at that election, the person elected at that election to fill the vacancy serves only for the unexpired term.

(b) If at any time there are fewer than three qualified directors, the Texas Commission on Environmental Quality shall appoint, on petition of a landowner in the district, the necessary number of directors to fill all vacancies on the board. Persons appointed under this subsection serve the same terms as provided for persons appointed under Subsection (a).
Sec. 8292.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Sec. 8292.102. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future or alternative uses.

(b) The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforceable by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Sec. 8293.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Montgomery County Municipal Utility District No. 9.
Sec. 8293.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8293.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8293.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 704, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;

(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose a tax; or

(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.
SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8293.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8293.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

CHAPTER 8294. EMERALD BAY MUNICIPAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8294.001. DEFINITION. In this chapter, "district" means Emerald Bay Municipal Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8159.001 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(78), eff. September 1, 2009.

Sec. 8294.002. NATURE OF DISTRICT. (a) The district is a conservation and reclamation district in Smith County created under Section 59, Article XVI, Texas Constitution.
(b) The district is a political subdivision of the state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8159.002 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(78), eff.
Sec. 8294.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8159.003 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(78), eff. September 1, 2009.

Sec. 8294.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2(a), Chapter 722, Acts of the 68th Legislature, Regular Session, 1983, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries of the district form a closure. A mistake in the description of the boundaries under Section 2(a), Chapter 722, Acts of the 68th Legislature, Regular Session, 1983, does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue bonds for a purpose for which the district is created or to pay the principal of and interest on the bonds; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8159.004 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(78), eff. September 1, 2009.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8294.051. COMPOSITION OF BOARD. The district is governed by a board of five directors who serve staggered terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8159.051 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(78), eff. September 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8294.101. MUNICIPAL UTILITY DISTRICT POWERS. The district may exercise the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8159.101 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(78), eff. September 1, 2009.

Sec. 8294.102. GENERAL CONTRACT POWERS. The district may enter into a water supply, sewage treatment, solid waste, or drainage contract, or any combination of those contracts, with a municipal corporation, political subdivision, or private entity.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8159.102 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(78), eff. September 1, 2009.

Sec. 8294.103. CONTRACTS TO ACQUIRE EXISTING WATER OR SEWER SYSTEMS. A contract for the acquisition of an existing water or sewer facility may be made on terms approved by the contracting parties.
Sec. 8294.104. VOTER APPROVAL OF CERTAIN CONTRACTS. (a) A contract that provides for the district to make payment from taxes other than maintenance taxes must be approved by a majority of the district voters voting on the question at an election held for that purpose.

(b) The election shall be held in the same manner as an election for the issuance of bonds payable from taxes by a municipal utility district.

Sec. 8295.001. DEFINITIONS. In this chapter, "district" means Emerald Forest Utility District.

Sec. 8295.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.
Sec. 8295.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8160.003 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(79), eff. September 1, 2009.

Sec. 8295.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 584, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-519, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8295.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8160.051 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(79), eff. September 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8295.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8160.101 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(79), eff. September 1, 2009.

CHAPTER 8296. BURLESON COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8296.001. DEFINITION. In this chapter, "district" means the Burleson County Municipal Utility District No. 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8163.001 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(80), eff. September 1, 2009.
Sec. 8296.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Burleson County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8163.002 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(80), eff. September 1, 2009.

Sec. 8296.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8163.003 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(80), eff. September 1, 2009.

Sec. 8296.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 703, Acts of the 62nd Legislature, Regular Session, 1971 (Article 8280-587, Vernon's Texas Civil Statutes), as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8163.004 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(80), eff. September 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8296.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8163.051 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(80), eff. September 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8296.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8163.101 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(80), eff. September 1, 2009.

For contingent expiration of this chapter, see Section 8297.004.

CHAPTER 8297. HAYS COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8297.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Hays County Municipal Utility District No. 6.

Added by Acts 2007, 80th Leg., R.S., Ch. 961 (H.B. 4056), Sec. 1, eff. June 15, 2007.

Sec. 8297.002. NATURE OF DISTRICT. The district is a municipal utility district in Hays County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 961 (H.B. 4056), Sec. 1, eff. June 15, 2007.

Sec. 8297.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects to be accomplished by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 961 (H.B. 4056), Sec. 1, eff. June 15, 2007.

Sec. 8297.004. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8297.023 before September 1, 2011:
(1) the district is dissolved September 1, 2011, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Hays County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are
transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2007, 80th Leg., R.S., Ch. 961 (H.B. 4056), Sec. 1, eff. June 15, 2007.

Sec. 8297.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 961 (H.B. 4056), Sec. 1, eff. June 15, 2007.

Sec. 8297.006. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes set forth in this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 961 (H.B. 4056), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8297.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 961 (H.B. 4056), Sec. 1, eff. June 15, 2007.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 8297.101.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.  The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 961 (H.B. 4056), Sec. 1, eff. June 15, 2007.

Sec. 8297.102.  COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS.  The district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Dripping Springs that consents to the creation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 961 (H.B. 4056), Sec. 1, eff. June 15, 2007.

Sec. 8297.103.  LIMITATION ON USE OF EMINENT DOMAIN.  The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for a pipeline that serves the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 961 (H.B. 4056), Sec. 1, eff. June 15, 2007.

CHAPTER 8298. CAPE ROYALE UTILITY DISTRICT

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8298.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Cape Royale Utility District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.001 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff.
Sec. 8298.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in San Jacinto County, created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.002 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.003 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 270, Acts of the 61st Legislature, Regular Session, 1969 (Article 8280-424, Vernon's Texas Civil Statutes), as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) former Section 9, Chapter 270, Acts of the 61st
Legislature, Regular Session, 1969 (Article 8280-424, Vernon's Texas
Civil Statutes); or
(4) other law.

(b) The boundaries and field notes of the district form a
closure. If a mistake is made in the field notes or in copying the
field notes in the legislative process, the mistake does not affect:
(1) the district's organization, existence, and validity;
(2) the district's right to issue any type of bond for a
purpose for which the district is created or to pay the principal of
and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.004 by
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff.
September 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8298.051. COMPOSITION OF BOARD. The board consists of
five directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.051 by
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff.
September 1, 2009.

Sec. 8298.052. DIRECTOR'S BOND. (a) Each director shall give
a bond in the amount of $5,000 for the faithful performance of the
director's duties.

(b) The bond must be:
(1) approved by the county judge and the board;
(2) filed in the office of the county clerk of the county
or counties in which the district is located; and
(3) recorded in a record book kept for that purpose in the district office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.052 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.053. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The county judge of the county in which the district is located shall appoint directors to fill all vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.053 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.054. DISTRICT OFFICE. (a) Except as provided by this section, the board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by:

(1) filing a copy of the board resolution that establishes the location of the office:

(A) with the Texas Commission on Environmental Quality; and

(B) in the municipal utility district records of each county in which the district is located; and

(2) publishing notice of the location of the office in a newspaper of general circulation in each county in which the district is located.

(c) A district office that is a private residence, office, or dwelling is a public place for matters relating to district business.
(d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.054 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.055. ABSENCE OF PRESIDENT FROM BOARD MEETING. If the board president is absent from a board meeting:

(1) the board vice president may:
   (A) sign an order adopted at the meeting; or
   (B) implement any other action taken at the meeting; or
(2) the board may authorize the president to sign the order or implement the action.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.055 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8298.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has all of the rights, powers, privileges, authority, and functions conferred by the general laws of this state relating to municipal utility districts created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.101 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.
Sec. 8298.102. ADDITIONAL POWERS AND DUTIES. (a) The district may:

(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, existing improvements, or improvements to be made, constructed, or acquired that are:
   (A) inside or outside the district's boundaries; and
   (B) necessary to carry out the powers granted by this chapter or general law; or

(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:
   (A) the purchase or sale of water;
   (B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;
   (C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and
   (D) the performance of any of the powers granted by this chapter or general law.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.102 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.103. EMINENT DOMAIN. The district may exercise the power of eminent domain only:

(1) in a county in which the district is located; and

(2) when necessary to carry out the purposes for which the district was created.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.103 by
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary the relocating, raising, rerouting or changing the grade of, or alteration of the construction of a highway, a railroad, an electric transmission line, a telegraph or telephone property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.104 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may enter into a contract with a political subdivision for water, sewer, or drainage services or any combination of those services without the necessity of an election by any contracting party.

(b) The district may pay for an obligation incurred by such a contract by issuing bonds that, if otherwise necessary, have been approved by the voters in the manner provided by this chapter.

(c) The district may deliver the district's bonds to any of the following parties that enters into such a contract with the district:

(1) the United States;
(2) an agency or instrumentality of the United States;
(3) this state; or
(4) an agency or instrumentality of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10,
Sec. 8298.106. NOTICE OF ELECTION. The board president or secretary may give notice of an election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.106 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.107. DISTRICT RULES. The district shall adopt and enforce reasonable and effective rules to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of the district's sewerage system to preserve the quality of water within or controlled by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.107 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8298.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.151 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.
Sec. 8298.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.152 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.153. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered:

(1) to each director; and
(2) on request to a holder of at least 25 percent of the outstanding bonds of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.153 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:

(1) district property; or
(2) a purchase made by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.10, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 8164.154 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(81), eff. September 1, 2009.

Sec. 8298.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY. A director may be a shareholder in a depository of district funds.
Sec. 8298.201. USE OF BOND PROCEEDS DURING CONSTRUCTION. (a) The district may appropriate or set aside out of the proceeds from the sale of any bonds issued under this chapter an amount for the payment of interest, administrative, and operating expenses expected to accrue during a period of construction, as may be provided in the bond orders or resolutions.

(b) For purposes of this section, the period of construction may not exceed three years.

Sec. 8299.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means Fort Bend County Municipal Utility District No. 183.

Sec. 8299.002. NATURE OF DISTRICT. The district is a municipal utility district in Fort Bend County created under and essential to
accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1314 (S.B. 1069), Sec. 1, eff. September 1, 2007.
Renumbered from Special District Local Laws Code, Section 8208.002 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(82), eff. September 1, 2009.

Sec. 8299.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8299.055 before September 1, 2011:
(1) the district is dissolved September 1, 2011, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Fort Bend County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 1314 (S.B. 1069), Sec. 1, eff. September 1, 2007.
Renumbered from Special District Local Laws Code, Section 8208.003 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.002(15), eff. September 1, 2009.

Sec. 8299.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
   (1) the organization, existence, or validity of the district;
   (2) the right of the district to impose taxes;
   (3) the validity of the district's bonds, notes, or
indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1314 (S.B. 1069), Sec. 1, eff. September 1, 2007.
Renumbered from Special District Local Laws Code, Section 8208.004 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(82), eff. September 1, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8299.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1314 (S.B. 1069), Sec. 1, eff. September 1, 2007.
Renumbered from Special District Local Laws Code, Section 8208.051 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(82), eff. September 1, 2009.

Sec. 8299.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 1314 (S.B. 1069), Sec. 1, eff. September 1, 2007.
Renumbered from Special District Local Laws Code, Section 8208.052 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(82), eff. September 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8299.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1314 (S.B. 1069), Sec. 1,
Sec. 8299.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1314 (S.B. 1069), Sec. 1, eff. September 1, 2007.
Renumbered from Special District Local Laws Code, Section 8208.102 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(82), eff. September 1, 2009.

Sec. 8299.103. COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Alvin.

Added by Acts 2007, 80th Leg., R.S., Ch. 1314 (S.B. 1069), Sec. 1, eff. September 1, 2007.
Renumbered from Special District Local Laws Code, Section 8208.103 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(82), eff. September 1, 2009.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8299.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8299.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1314 (S.B. 1069), Sec. 1, eff. September 1, 2007.
Renumbered from Special District Local Laws Code, Section 8208.151 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.002(19).

SUBCHAPTER E. BONDS

Sec. 8299.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8299.101 and 8299.102.

(b) The district may not issue bonds to finance projects authorized by Section 8299.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8299.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1314 (S.B. 1069), Sec. 1, eff. September 1, 2007.
Renumbered from Special District Local Laws Code, Section 8208.201 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.002(20).

CHAPTER 8300. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 189

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8300.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means Fort Bend County Municipal Utility
Sec. 8300.002. NATURE OF DISTRICT. The district is created as a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8300.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Sec. 8300.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district.

(b) The district is created to accomplish the purposes of a municipal utility district as provided by general law.
Sec. 8300.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose or collect an assessment or tax; or
(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 170 (S.B. 1977), Sec. 1, eff. May 22, 2007.
Renumbered from Special District Local Laws Code, Section 8210.005 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(83), eff. September 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8300.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8300.053, directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 170 (S.B. 1977), Sec. 1, eff. May 22, 2007.
Renumbered from Special District Local Laws Code, Section 8210.051 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(83), eff. September 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.002(21), eff. September 1, 2009.
Sec. 8300.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 170 (S.B. 1977), Sec. 1, eff. May 22, 2007.
Renumbered from Special District Local Laws Code, Section 8210.052 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(83), eff. September 1, 2009.

Sec. 8300.053. INITIAL DIRECTORS. (a) The initial board consists of:
(1) Dan LeNeveu;
(2) Nikki Ball;
(3) Glenn Hansen;
(4) Joseph Charles Tusa; and
(5) Howard Moon.

(b) Unless otherwise agreed, the directors shall decide the initial terms of office by lot, with a simple majority of directors serving until the second succeeding directors election and the remaining directors serving until the next directors election.

Added by Acts 2007, 80th Leg., R.S., Ch. 170 (S.B. 1977), Sec. 1, eff. May 22, 2007.
Renumbered from Special District Local Laws Code, Section 8210.053 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(83), eff. September 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8300.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 170 (S.B. 1977), Sec. 1, eff. May 22, 2007.
Renumbered from Special District Local Laws Code, Section 8210.101 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(83), eff. September 1, 2009.
Sec. 8300.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 170 (S.B. 1977), Sec. 1, eff. May 22, 2007.
Renumbered from Special District Local Laws Code, Section 8210.102 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(83), eff. September 1, 2009.

Sec. 8300.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the municipality that consents to the creation of the district or to the inclusion of land within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 170 (S.B. 1977), Sec. 1, eff. May 22, 2007.
Renumbered from Special District Local Laws Code, Section 8210.103 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(83), eff. September 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8300.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenues or contract payments from any lawful sources other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 170 (S.B. 1977), Sec. 1, eff. May 22, 2007.
Renumbered from Special District Local Laws Code, Section 8210.151 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(83), eff.
Sec. 8300.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 8300.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with the provisions of Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 170 (S.B. 1977), Sec. 1, eff. May 22, 2007.
Renumbered from Special District Local Laws Code, Section 8210.152 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(83), eff. September 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.002(22), eff. September 1, 2009.

SUBCHAPTER E. BONDS OR OTHER OBLIGATIONS

Sec. 8300.201. OBLIGATIONS. The district may issue bonds, notes, or other obligations payable in whole or in part from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 170 (S.B. 1977), Sec. 1, eff. May 22, 2007.
Renumbered from Special District Local Laws Code, Section 8210.201 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(83), eff. September 1, 2009.

Sec. 8300.202. TAXES FOR BONDS. At the time bonds payable in whole or in part from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on
all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 170 (S.B. 1977), Sec. 1, eff. May 22, 2007.
Renumbered from Special District Local Laws Code, Section 8210.202 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(83), eff. September 1, 2009.

For contingent expiration of this chapter, see Section 8301.003.

CHAPTER 8301. TRUE RANCH MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8301.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a board member.
(3) "District" means the True Ranch Municipal Utility District No. 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.001 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.

Sec. 8301.002. NATURE OF DISTRICT. The district is a municipal utility district in Hays County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.002 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.
Sec. 8301.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8301.023 before September 1, 2012:

(1) the district is dissolved September 1, 2012, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Hays County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2015.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.003 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.002(23), eff. September 1, 2009.

Sec. 8301.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property in the district will benefit from the works and projects to be accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.

(b) The district is created to serve a public use and benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.004 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.

Sec. 8301.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 10.02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 10.02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative
process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the right of the district to issue bonds, notes, or other indebtedness or to pay the principal of and interest on a bond;
(4) the validity of the district's bonds, notes, or other indebtedness; or
(5) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.005 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8301.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.051 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.

Sec. 8301.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.052 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8301.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.101 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.

Sec. 8301.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.102 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.

Sec. 8301.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate arterials or main feeder roads or improvements in aid of those roads.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.103 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.

Sec. 8301.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR
RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all valid and applicable requirements of any ordinance or resolution adopted by a municipality in the corporate limits or extraterritorial jurisdiction of which the district is located, including an ordinance or resolution adopted before September 1, 2007, that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.104 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8301.151. ELECTIONS REGARDING TAXES OR BONDS. (a) Except as provided by Section 8301.201(b), the district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.151 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.002(27), eff. September 1, 2009.

Sec. 8301.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8301.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 8301.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds to finance projects authorized by Section 8301.103 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8301.103 may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 8301.202.  TAXES FOR BONDS.  At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on
all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1430 (S.B. 3), Sec. 10.01, eff. June 16, 2007.
Renumbered from Special District Local Laws Code, Section 8269.202 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(84), eff. September 1, 2009.

CHAPTER 8302. MONTGOMERY COUNTY UTILITY DISTRICT NO. 3
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8302.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Montgomery County Utility District No. 3.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8302.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8302.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8302.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 634, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8302.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8302.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including
Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8302.102. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement.

(b) A strategic partnership agreement between the district and an annexing municipality may:

(1) authorize the conversion of the district to a limited district upon full-purpose annexation and may permit the limited district to continue to exist and provide services for a fixed term or an indefinite term, on conditions that are mutually agreeable to the district and the annexing municipality;

(2) contain a pledge of user fee revenues, tax proceeds from taxes levied within constitutional limits, miscellaneous revenues, and other funds under the control of a party, to cover that party's pecuniary obligations under the agreement;

(3) continue in effect for a fixed term or an indefinite term, as may be agreed upon by the district and the annexing municipality; and

(4) contain other provisions relating to annexation or services, including enforcement provisions, as may be agreed upon by the district and the annexing municipality.

(c) An agreement described in this section shall be valid, binding, and enforceable in accordance with its terms. To achieve this purpose:

(1) this section controls over any other laws, rules, regulations, charter provisions, or ordinances, including any contrary provision of Section 43.0751, Local Government Code; and

(2) if the district and an annexing municipality enter into such an agreement, sovereign immunity is waived for each party for the purpose of adjudicating claims based on the agreement, including claims for money damages, declaratory judgment, and other remedies, subject to the terms and conditions of this section.
(d) The total amount of money awarded in an adjudication described by Subsection (c)(2) is limited to direct damages, excluding consequential damages, exemplary damages, or damages for unabsorbed office overhead, plus reasonable and necessary attorney's fees that are equitable and just, plus interest as allowed by law, including interest as calculated under Chapter 2251, Government Code. This section does not waive a defense or a limitation on damages available to a party to such an agreement other than a bar against suit based on sovereign immunity.

(e) An agreement described in this section is not a joint enterprise for liability purposes. This section does not waive sovereign immunity to suit for a cause of action for a negligent or intentional tort or for a cause of action brought by any person or entity that is not a party to an agreement described in this section.

(f) In this section:

(1) "Sovereign immunity" includes immunities commonly referred to as "sovereign immunity" or "governmental immunity" and encompasses both immunity from suit and immunity from liability.

(2) "Adjudicating" or "adjudication" means the bringing of a civil suit and prosecution to final judgment in a county or state court and includes the bringing of an authorized arbitration proceeding and prosecution to final resolution in accordance with any mandatory procedures established in an agreement described in this section.

(g) This section provides authority for the district and an annexing municipality to enter into a strategic partnership agreement, and such authority is in addition to, and separate from, any authority provided by Section 43.0751, Local Government Code, and any other laws, rules, regulations, charter provisions, and ordinances.

Added by Acts 2013, 83rd Leg., R.S., Ch. 629 (S.B. 1913), Sec. 1, eff. September 1, 2013.

CHAPTER 8303. MONTGOMERY COUNTY UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8303.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Montgomery County Utility District No. 4.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8303.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8303.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8303.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 344, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bonds for a purpose for which the district is created or to pay the principal of...
and interest on the bonds;
   (3) the district's right to impose a tax; or
   (4) the legality or operation of the district or its
governing body.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8303.051. COMPOSITION OF BOARD. The board of directors is composed of five elected directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8303.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.04, eff. April 1, 2011.

Sec. 8303.102. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement.

(b) A strategic partnership agreement between the district and an annexing municipality may:
   (1) authorize the conversion of the district to a limited district upon full-purpose annexation and may permit the limited district to continue to exist and provide services for a fixed term or an indefinite term, on conditions that are mutually agreeable to the district and the annexing municipality;
   (2) contain a pledge of user fee revenues, tax proceeds
from taxes levied within constitutional limits, miscellaneous revenues, and other funds under the control of a party, to cover that party's pecuniary obligations under the agreement;

(3) continue in effect for a fixed term or an indefinite term, as may be agreed upon by the district and the annexing municipality; and

(4) contain other provisions relating to annexation or services, including enforcement provisions, as may be agreed upon by the district and the annexing municipality.

(c) An agreement described in this section shall be valid, binding, and enforceable in accordance with its terms. To achieve this purpose:

(1) this section controls over any other laws, rules, regulations, charter provisions, or ordinances, including any contrary provision of Section 43.0751, Local Government Code; and

(2) if the district and an annexing municipality enter into such an agreement, sovereign immunity is waived for each party for the purpose of adjudicating claims based on the agreement, including claims for money damages, declaratory judgment, and other remedies, subject to the terms and conditions of this section.

(d) The total amount of money awarded in an adjudication described by Subsection (c)(2) is limited to direct damages, excluding consequential damages, exemplary damages, or damages for unabsorbed office overhead, plus reasonable and necessary attorney's fees that are equitable and just, plus interest as allowed by law, including interest as calculated under Chapter 2251, Government Code. This section does not waive a defense or a limitation on damages available to a party to such an agreement other than a bar against suit based on sovereign immunity.

(e) An agreement described in this section is not a joint enterprise for liability purposes. This section does not waive sovereign immunity to suit for a cause of action for a negligent or intentional tort or for a cause of action brought by any person or entity that is not a party to an agreement described in this section.

(f) In this section:

(1) "Sovereign immunity" includes immunities commonly referred to as "sovereign immunity" or "governmental immunity" and encompasses both immunity from suit and immunity from liability.

(2) "Adjudicating" or "adjudication" means the bringing of a civil suit and prosecution to final judgment in a county or state.
court and includes the bringing of an authorized arbitration proceeding and prosecution to final resolution in accordance with any mandatory procedures established in an agreement described in this section.

(g) This section provides authority for the district and an annexing municipality to enter into a strategic partnership agreement, and such authority is in addition to, and separate from, any authority provided by Section 43.0751, Local Government Code, and any other laws, rules, regulations, charter provisions, and ordinances.

Added by Acts 2013, 83rd Leg., R.S., Ch. 629 (S.B. 1913), Sec. 2, eff. September 1, 2013.

CHAPTER 8304. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8304.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Waller County Municipal Utility District No. 9.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff.
Sec. 8304.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8304.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.
Sec. 8304.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8304.052, directors serve staggered four-year terms.

Sec. 8304.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8304.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.
(c) If permanent directors have not been elected under Section 8304.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8304.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons...
named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8304.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road
project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8304.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and
duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8304.003 to confirm the district's creation.

(f) An order dividing the district shall:

1. name each new district;
2. include the metes and bounds description of the territory of each new district;
3. appoint temporary directors for each new district; and
4. provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8304.003.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8304.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8304.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8304.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8304.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8304.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

Sec. 8304.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 483 (S.B. 588), Sec. 1, eff. June 19, 2009.

CHAPTER 8305. SEDONA LAKES MUNICIPAL UTILITY DISTRICT NO. 1 OF BRAZORIA COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8305.001. DEFINITION. In this chapter, "district" means the Sedona Lakes Municipal Utility District No. 1 of Brazoria County.
Sec. 8305.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8305.052. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8305.053. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 8305.054. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, including any ordinance or resolution adopted before September 1, 2009, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 420 (H.B. 2022), Sec. 1, eff. June 19, 2009.

Sec. 8305.055. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8305.052; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 420 (H.B. 2022), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8305.101. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8305.151.

Added by Acts 2009, 81st Leg., R.S., Ch. 420 (H.B. 2022), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS

Sec. 8305.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 8305.152. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8305.153. BONDS FOR ROAD PROJECTS. (a) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(b) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

CHAPTER 8306. XS RANCH MUNICIPAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8306.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the XS Ranch Municipal Utility District.
Sec. 8306.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

Sec. 8306.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

Sec. 8306.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8306.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located, including the City of Bastrop, has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

Sec. 8306.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff.
Sec. 8306.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8306.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8306.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

Sec. 8306.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

1. Mark Engels;
2. Mark Oldemeyer;
3. James Michael Sulester, Jr.;
4. William Faust; and
5. Don Montague.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 8306.003; or

2. 90 days after the date the temporary directors are appointed.
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8306.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8306.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8306.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

Sec. 8306.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.
Sec. 8306.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

Sec. 8306.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

Sec. 8306.105. COMPLIANCE WITH MUNICIPAL ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Land in the district that is located in the City of Bastrop's extraterritorial jurisdiction is subject to municipal ordinances applicable to extraterritorial areas, unless the municipality's governing body waives compliance.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.
Sec. 8306.106. CONTRACT WITH CERTAIN MUNICIPALITIES REQUIRED. 

(a) The district may not exercise the powers and duties of a 
municipal utility district under this chapter unless the district 
enters into a written contract with any municipality in whose 
extraterritorial jurisdiction the district is wholly or partly 
located that:

(1) provides for the continuation of the extraterritorial 
status of the district or the district's annexation by the 
municipality;

(2) ensures that any development in the district occurs in 
a manner that furthers the health, safety, and welfare of the 
residents of the district; and

(3) includes other terms and consideration that the 
municipality determines to be reasonable and appropriate.

(b) A contract under this section may be renewed or extended 
for successive periods not to exceed 15 years.

(c) If the district does not enter into a contract under this 
section before the later of September 1, 2009, or the 30th day after 
the effective date of the Act creating this chapter, the board, at 
the board's sole discretion, may adopt an order dissolving the 
district if the district has no assets or obligations. If an order 
dissolving the district is adopted under this subsection, an original 
or certified copy of the order must be filed with the commission and 
in the real property records of any county in which the district is 
located.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. 

Sec. 8306.107. EFFECT OF CHAPTER ON CITY OF BASTROP. Nothing 
in this chapter abrogates, diminishes, or otherwise alters any 
rights, powers, privileges, or functions of the City of Bastrop 
provided by the general law of this state, including Chapter 42, 
Local Government Code, and Chapter 54, Water Code, related to the 
creation of special districts in its extraterritorial jurisdiction.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. 
Sec. 8306.108. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8306.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

Sec. 8306.109. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) the requirements of Subsection (i) are satisfied.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8306.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an
order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8306.003.

(i) If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the municipality by resolution or ordinance first consents to the division of the district. If the district is not located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the commissioners court of each county in which the district is wholly or partly located first adopts a resolution or order in support of the division of the district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8306.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8306.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff.
Sec. 8306.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8306.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

Sec. 8306.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8306.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

Sec. 8306.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

Sec. 8306.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 649 (H.B. 1841), Sec. 1, eff. June 19, 2009.

CHAPTER 8307. CALDWELL COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8307.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Caldwell County Municipal Utility District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8307.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.  
(b) The district is created to accomplish the purposes of:  
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and  
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.  
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:  
   (1) organization, existence, or validity;  
   (2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8307.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8307.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Joseph John Mazzola III;
(2) Hunter Wallace Dehn;
(3) Seth Thatcher;
(4) Scott Guesner; and
(5) Mark Solomon.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8307.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.
(c) If permanent directors have not been elected under Section 8307.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8307.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8307.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.
Sec. 8307.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.106. LIMITATION ON CONSTRUCTION AND DEVELOPMENT IN DISTRICT. A developer may not begin construction or development of a project in the district unless the developer has entered into a contract with an appropriate entity for the provision of water and sewer services for the project.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.107. LOCAL ROADWAY IMPROVEMENT. A developer who undertakes a project in the district shall enter into an agreement with the Texas Department of Transportation, the commissioners court
of any county in whose jurisdiction the district is located, or another appropriate entity to make improvements in the roads surrounding the district to mitigate any problems with traffic the proposed project is anticipated to cause or create.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.108. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8307.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.109. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created:

(1) contain any land outside the area described by Section 2 of the Act creating this chapter; or
(2) contain less than 100 acres.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified appraisal roll for each county in which the district is located, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8307.003 to confirm the district's creation.

(f) An order dividing the district shall:
(1) name each new district;  
(2) include the metes and bounds description of the territory of each new district;  
(3) appoint temporary directors for each new district; and  
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8307.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) Any new district created by the division of the district may divide into two or more districts as provided by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8307.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or  
(2) contract payments described by Section 8307.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff.
Sec. 8307.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8307.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8307.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

Sec. 8307.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 753 (S.B. 660), Sec. 1, eff. June 19, 2009.

CHAPTER 8308. EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8308.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the East Montgomery County Municipal Utility District No. 4.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8308.002. NATURE OF DISTRICT. (a) The district is a municipal utility district in Montgomery County created under Section 59, Article XVI, Texas Constitution.
(b) The district is a political subdivision of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8308.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8308.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 882, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code;
(2) Subchapter H, Chapter 54, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8308.051. COMPOSITION OF BOARD. The district is governed by a board of five directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8308.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, functions, and duties provided by
general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8308.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by a municipality in whose corporate limits or extraterritorial jurisdiction the district is located, including an ordinance or resolution adopted before September 1, 2003, that consents to the creation of the district or to the inclusion of lands in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8308.103. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8308.104. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December
31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 17, eff. September 1, 2015.

CHAPTER 8309. COTTONWOOD MUNICIPAL UTILITY DISTRICT NO. 2 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8309.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Cottonwood Municipal Utility District No. 2 of Grayson County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.
Sec. 8309.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8309.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8309.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8309.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE. (a) The district is eligible to be included in a tax increment reinvestment zone created under Chapter 311, Tax Code.

(b) If the City of Dorchester creates a tax increment reinvestment zone described by Subsection (a) that includes all or part of the territory of the district, the City of Dorchester and the board of directors of the zone, by contract with the district, may grant money to the district from the tax increment fund to be used for a permissible purpose of the district, including the right to pledge the money as security for a bond or other obligation issued by the district and for any permissible purpose of a corporation under Section 380.002(b), Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8309.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8309.052, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2011, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8309.003; or
(2) September 1, 2015.

(c) If permanent directors have not been elected under Section 8309.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8309.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8309.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.
Sec. 8309.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.105. COSTS OF ROAD PROJECT. The district shall bear the cost of maintaining, improving, operating, and repairing a road located in the district and authorized by Section 8309.103 in accordance with all applicable ordinances and rules of the political subdivision authorized to exercise jurisdiction over the road, regardless of whether the district conveys the road to this state, a county, or a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.
Sec. 8309.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) In addition to all the rights and remedies provided by other law, if the district violates the terms of an ordinance or resolution described by Subsection (a), the municipality is entitled to injunctive relief or a writ of mandamus issued by a court requiring the district and the district's officials to observe and comply with the terms of the ordinance or resolution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.107. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8309.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.108. EFFECT OF ANNEXATION BY CITY OF DORCHESTER. Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the City of Dorchester and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on that property.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.109. LIMITATION ON USE OF EMINENT DOMAIN. The
district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8309.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D.  DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8309.151.  DIVISION OF DISTRICT; PREREQUISITES.  The district may be divided into two or more new districts only if the district:

(1) has never issued any bonds; and
(2) is not imposing ad valorem taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.152.  LAW APPLICABLE TO NEW DISTRICT.  This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.153.  LIMITATION ON AREA OF NEW DISTRICT.  A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.154.  DIVISION PROCEDURES.  (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district,
may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8309.003 to confirm the district's creation.

(c) An order dividing the district must:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between the new districts.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8309.003.

(b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.156. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.
SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8309.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8309.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8309.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff.
June 17, 2011.

**SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS**

Sec. 8309.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

Sec. 8309.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 853 (H.B. 3803), Sec. 1, eff. June 17, 2011.

**CHAPTER 8310. TWIN LAKES MUNICIPAL UTILITY DISTRICT NO. 1 OF KAUFMAN COUNTY**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8310.001. DEFINITIONS. In this chapter:

1. "Board" means the district's board of directors.
2. "Director" means a board member.
(3) "District" means the Twin Lakes Municipal Utility District No. 1 of Kaufman County.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8310.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8310.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8310.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Lisa Pray;
(2) Ruth (Rannie) Everett;
(3) Christopher T. Guido;
(4) Jonathan E. Neubauer; and
(5) Joy D. Crow.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8310.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8310.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8310.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8310.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.
Sec. 8310.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

1. a road project authorized by Section 8310.103; or
2. a recreational facility as defined by Section 49.462, Water Code.

Sec. 8310.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

1. has no outstanding bonded debt; and
2. is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8310.003 to confirm the district's creation.

(f) An order dividing the district shall:

1. name each new district;
2. include the metes and bounds description of the territory of each new district;
3. appoint temporary directors for each new district; and
4. provide for the division of assets and liabilities between or among the new districts.
(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8310.003.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8310.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8310.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

1. revenue other than ad valorem taxes; or
2. contract payments described by Section 8310.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.
Sec. 8310.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8310.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8310.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

Sec. 8310.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 576 (S.B. 2410), Sec. 1, eff. June 19, 2009.

CHAPTER 8311. VAN ALSTYNE MUNICIPAL UTILITY DISTRICT NO. 1 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8311.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Van Alstyne Municipal Utility District No. 1 of Grayson County.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.
Sec. 8311.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8311.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8311.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8311.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8311.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8311.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8311.003; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8311.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8311.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality or reappoint the temporary directors to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8311.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.
Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8311.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and
subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.106. LIMITATION ON USE OF EMINENT DOMAIN. (a) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8311.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

(b) The district may not exercise the power of eminent domain in the corporate limits of the City of Van Alstyne unless the city has consented by ordinance or resolution to that exercise of eminent domain authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.
Sec. 8311.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) the City of Van Alstyne has consented by ordinance or resolution to the division of the district.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8311.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8311.003.

(i) Subject to Subsection (a), municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8311.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.
(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.108. LIMITATION ON ANNEXATION. The district may not annex any territory outside the area described by Section 2 of the Act creating this chapter unless the City of Van Alstyne has consented by ordinance or resolution to the annexation.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8311.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8311.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8311.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8311.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

Sec. 8311.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.
Sec. 8311.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 528 (S.B. 1337), Sec. 1, eff. June 19, 2009.

CHAPTER 8312. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 387
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8312.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 387.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8312.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County, created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8312.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Sec. 8312.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1382, Acts of the 77th Legislature, Regular Session, 2001, as that territory may have been modified under:

1. Subchapter H, Chapter 54, Water Code;
2. Subchapter J, Chapter 49, Water Code; or
3. other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

1. the district's organization, existence, or validity;
2. the validity of district bonds, notes, or other indebtedness;
3. the district's right to impose a tax; or
4. the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8312.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8312.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Sec. 8312.102. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Houston, including an ordinance or resolution adopted before September 1, 2001, that consents to the creation of the district or to the inclusion of lands in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8312.103. RELOCATING OR ALTERING PROPERTY; COSTS. (a) The district may relocate, raise, reroute, change the grade of, or alter the construction of a highway, railroad, electric transmission line, telecommunications or other public utility facility, pipeline, canal, or drainage ditch if considered necessary by the board of directors.

(b) The district shall pay for any relocation, raising, rerouting, changing, or altering under this section, unless otherwise agreed in writing by the interested parties.

(c) If a facility is replaced, the cost of replacement is limited to an amount equal to the cost of replacing the facility with a comparable facility, less the replaced facility's net salvage value.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8312.104. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code; or

(3) a telecommunications provider as defined by Section 51.002, Utilities Code.
CHAPTER 8313. BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 64

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8313.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Brazoria County Municipal Utility District No. 64.

Sec. 8313.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8313.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8313.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8313.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 8313.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff. June 19, 2009.

Sec. 8313.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8313.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8313.052, directors serve staggered four-year terms.
Sec. 8313.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8313.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8313.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8313.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff. June 19, 2009.
district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff. June 19, 2009.

Sec. 8313.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff. June 19, 2009.

Sec. 8313.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff. June 19, 2009.

Sec. 8313.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 8313.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 8313.106. EFFECT OF ANNEXATION BY VILLAGE OF BONNEY. (a) The Village of Bonney may annex part of the territory of the district into its corporate limits without annexing all of the territory of the district under an agreement entered into between the Village of Bonney and the landowners of the land being annexed. The district continues in existence following annexation of part of the territory of the district as described by this subsection.

(b) The district shall be dissolved and its debts and obligations assumed by the Village of Bonney in accordance with Chapter 43, Local Government Code, including Sections 43.075 and 43.0715, on annexation of all of the territory of the district by the Village of Bonney, provided that:

(1) water, sanitary sewer, and drainage improvements, and roads have been constructed to serve at least 95 percent of the territory of the district; and

(2) the board adopts a resolution consenting to the dissolution of the district.

(c) Notwithstanding Section 54.016(f)(2), Water Code, a contract ("Allocation Agreement") between the Village of Bonney and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city, may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on the property.
Sec. 8313.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:
(1) a road project authorized by Section 8313.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff. June 19, 2009.

Sec. 8313.108. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.
(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.
(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.
(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8313.003 to confirm the district's creation.
(f) An order dividing the district shall:
(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.
(g) On or before the 30th day after the date of adoption of an
order dividing the district, the district shall file the order with
the Texas Commission on Environmental Quality and record the order in
the real property records of each county in which the district is
located.

(h) Any new district created by the division of the district
shall hold a confirmation and directors' election as required by
Section 8313.003.

(i) Municipal consent to the creation of the district and to
the inclusion of land in the district granted under Section 8313.004
acts as municipal consent to the creation of any new district created
by the division of the district and to the inclusion of land in the
new district.

(j) Any new district created by the division of the district
must hold an election as required by this chapter to obtain voter
approval before the district may impose a maintenance tax or issue
bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8313.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations
secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8313.153.

(b) The district must hold an election in the manner provided
by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff.

Sec. 8313.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 8313.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff. June 19, 2009.

Sec. 8313.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8313.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff. June 19, 2009.

Sec. 8313.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 8313.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 657 (H.B. 1946), Sec. 1, eff. June 19, 2009.

CHAPTER 8315. BURNET COUNTY MUNICIPAL UTILITY DISTRICT NO. 3
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8315.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Burnet County Municipal Utility District No. 3.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.
Sec. 8315.004.  CONSENT OF MUNICIPALITY REQUIRED.  (a)  The temporary directors may not hold an election under Section 8315.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b)  A municipality may not provide consent under Subsection (a) until the municipality and the owner or owners of the territory described by Section 2 of the Act creating this chapter have executed an annexation agreement governing the municipality's eventual annexation of the territory.  The municipality may incorporate any of the terms of the annexation agreement into the ordinance or resolution described by Subsection (a).

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.005.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  (a)  The district is created to serve a public purpose and benefit.

(b)  The district is created to accomplish the purposes of:

(1)  a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2)  Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.006.  INITIAL DISTRICT TERRITORY.  (a)  The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b)  The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure.  A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8315.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8315.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8315.003; or
   (2) the fourth anniversary of the effective date of the Act creating this chapter.
(c) If permanent directors have not been elected under Section 8315.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8315.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8315.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1,
Sec. 8315.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) In addition to all the rights and remedies provided by other law, if the district violates the terms of an ordinance or resolution described by Subsection (a), the municipality is entitled to injunctive relief or a writ of mandamus issued by a court requiring the district and the district's officials to observe and comply with the terms of the ordinance or resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.106. ANNEXATION OF DISTRICT BY MUNICIPALITY. (a) A municipality may annex all or part of the territory of the district or any new district created by the division of the district only as provided by an annexation agreement described by Section 8315.004(b).
(b) A municipality is not required to annex any part of the district's territory that is outside the corporate boundaries of the municipality.

(c) A municipality is not required to assume control and operation of the district or a new district created by division of the district on annexation of all or part of the territory of the district or new district, but the municipality may assume control and operation of the district or a new district and dissolve the district or new district if:

(1) the municipality has annexed all of the territory of the district or new district;

(2) the water and wastewater facilities required to serve at least 95 percent of the lots in the district or new district, as set out by a final plat, have been completed; and

(3) the municipality has complied with the requirements of Section 43.075, Local Government Code.

(d) Notwithstanding Section 54.016(f)(2), Water Code, a contract between a municipality and the district or new district that provides for the allocation of the taxes or revenues of the district and the municipality following the date of inclusion of all or part of the district's territory in the corporate limits of the municipality, may provide that the total annual ad valorem taxes collected by the municipality and the district from taxable property in the district may exceed the city's ad valorem tax on the property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.107. LIMITATION ON CREATION OF OTHER MUNICIPAL UTILITY DISTRICTS. Before December 31, 2011, the Texas Commission on Environmental Quality may not grant a petition under Chapter 54, Water Code, to create a municipal utility district if the district contains any territory described by Section 2 of the Act creating this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.108. LIMITATION ON ANNEXATION OF LAND BY DISTRICT.
(a) The district or any new district created by the division of the district may not annex land unless:
   (1) the owner or owners of the land have provided written consent to the annexation; and
   (2) the land is adjacent to the district or new district.

(b) The district must complete an annexation authorized by this section not later than the first anniversary of the date the district or new district receives written consent from the owner or owners of the land.

(c) An owner of land may revoke the owner's consent to annexation before the annexation is completed by notifying the district or new district in writing that the consent is revoked.

(d) For purposes of this section, a petition by an owner of land for annexation to the district that meets the requirements of Chapter 49, Water Code, satisfies the requirement of written consent under Subsection (a).

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.109. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:
   (1) a road project authorized by Section 8315.103; or
   (2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.110. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:
   (1) has no outstanding bonded debt; and
   (2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land
outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8315.003 to confirm the district's creation.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district or provide that the owner or owners of a majority of the assessed value of the real property in each new district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8315.003. A new district that is not confirmed is subject to dissolution under general law.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8315.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.
Sec. 8315.151.  ELECTIONS REGARDING TAXES OR BONDS.  (a)  The district may issue, without an election, bonds and other obligations secured by:

(1)  revenue other than ad valorem taxes; or

(2)  contract payments described by Section 8315.153.

(b)  The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c)  The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8315.152.  OPERATION AND MAINTENANCE TAX.  (a)  If authorized at an election held under Section 8315.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b)  The board shall determine the tax rate.  The rate may not exceed the rate approved at the election.

Sec. 8315.153.  CONTRACT TAXES.  (a)  In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b)  A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8315.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

Sec. 8315.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1066 (H.B. 4719), Sec. 1, eff. June 19, 2009.

**CHAPTER 8316. BLAKETREE MUNICIPAL UTILITY DISTRICT NO. 1 OF MONTGOMERY COUNTY**
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8316.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Blaketree Municipal Utility District No. 1 of Montgomery County.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8316.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8316.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8316.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.052. TEMPORARY DIRECTORS. (a) The temporary board
consists of:
(1) Robb Clark;
(2) Lorie Varnas;
(3) Rand Arbuckle;
(4) Alfredo Saenz; and
(5) Tammy Pizzitola.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8316.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8316.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8316.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8316.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.
Sec. 8316.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable
requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8316.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8316.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8316.003.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8316.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8316.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8316.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff.
Sec. 8316.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8316.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8316.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

Sec. 8316.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 561 (S.B. 1979), Sec. 1, eff. June 19, 2009.

CHAPTER 8317. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8317.001. DEFINITION. In this chapter, "district" means the Fort Bend County Municipal Utility District No. 194.

Added by Acts 2009, 81st Leg., R.S., Ch. 349 (H.B. 1113), Sec. 1, eff. June 19, 2009.

Sec. 8317.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is essential to accomplish the purposes of Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 349 (H.B. 1113), Sec. 1, eff. June 19, 2009.

Amended by:
Sec. 8317.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes described by Section 8317.002.

Added by Acts 2009, 81st Leg., R.S., Ch. 349 (H.B. 1113), Sec. 1, eff. June 19, 2009.

Sec. 8317.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 349 (H.B. 1113), Sec. 1, eff. June 19, 2009.

Sec. 8317.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 349 (H.B. 1113), Sec. 1, eff. June 19, 2009.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 495 (S.B. 1830), Sec. 2, eff. June 14, 2013.

Sec. 8317.0541. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road
project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 495 (S.B. 1830), Sec. 3, eff. June 14, 2013.

Sec. 8317.055. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for a road project authorized by Section 8317.053.

Added by Acts 2009, 81st Leg., R.S., Ch. 349 (H.B. 1113), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS**

Sec. 8317.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8317.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 349 (H.B. 1113), Sec. 1, eff. June 19, 2009.
Sec. 8317.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 349 (H.B. 1113), Sec. 1, eff. June 19, 2009.

CHAPTER 8318. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 528
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8318.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 528.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

Sec. 8318.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

Sec. 8318.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

Sec. 8318.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8318.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

Sec. 8318.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

Sec. 8318.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8318.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8318.052, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

Sec. 8318.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2011, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8318.003; or
(2) September 1, 2015.
(c) If permanent directors have not been elected under Section
8318.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8318.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8318.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

Sec. 8318.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff.
Sec. 8318.103.  AUTHORITY FOR ROAD PROJECTS.  Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

Sec. 8318.104.  ROAD STANDARDS AND REQUIREMENTS.  (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

Sec. 8318.105.  COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.  The district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Baytown.
Sec. 8318.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8318.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Sec. 8318.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8318.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8318.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 8318.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

Sec. 8318.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8318.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.
Sec. 8318.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

Sec. 8318.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 413 (S.B. 813), Sec. 1, eff. September 1, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 728 (H.B. 886), Sec. 1, eff. September 1, 2011.

CHAPTER 8319. GRAY COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8319.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Gray County Municipal Utility District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

Sec. 8319.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.
Sec. 8319.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8319.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8319.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8319.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of: (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8319.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8319.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8319.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

Sec. 8319.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8319.003; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8319.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8319.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8319.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

Sec. 8319.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

Sec. 8319.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and
maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

Sec. 8319.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

Sec. 8319.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

Sec. 8319.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and
duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8319.003 to confirm the district's creation.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district or provide that the owner or owners of a majority of the assessed value of the real property in each new district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8319.003. A new district that is not confirmed is subject to dissolution under general law.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8319.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter
approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

Sec. 8319.107. LIMITATION ON USE OF EMINENT DOMAIN. (a) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:
   (1) a road project authorized by Section 8319.103; or
   (2) a recreational facility as defined by Section 49.462, Water Code.
   (b) The district may not exercise the power of eminent domain to acquire land, an easement, or other property that is located more than five miles outside the district's boundaries.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8319.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
   (1) revenue other than ad valorem taxes; or
   (2) contract payments described by Section 8319.153.
   (b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
   (c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

Sec. 8319.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 8319.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

Sec. 8319.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8319.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 869 (S.B. 2506), Sec. 1, eff. June 19, 2009.

Sec. 8319.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 8319.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 8320.001. DEFINITION. In this chapter, "district" means the Sienna Plantation Municipal Utility District No. 4.

Sec. 8320.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is essential to accomplish the purposes of Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8320.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes described by Section 8320.002.
Sec. 8320.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 208 (S.B. 929), Sec. 1, eff. May 27, 2009.

Sec. 8320.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 208 (S.B. 929), Sec. 1, eff. May 27, 2009.

Sec. 8320.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 208 (S.B. 929), Sec. 1, eff. May 27, 2009.
Sec. 8320.055. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for a road project authorized by Section 8320.053.

Added by Acts 2009, 81st Leg., R.S., Ch. 208 (S.B. 929), Sec. 1, eff. May 27, 2009.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8320.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8320.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 208 (S.B. 929), Sec. 1, eff. May 27, 2009.

Sec. 8320.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 208 (S.B. 929), Sec. 1, eff. May 27, 2009.
CHAPTER 8321. SIENNA PLANTATION MUNICIPAL UTILITY DISTRICT NO. 5

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8321.001. DEFINITION. In this chapter, "district" means the Sienna Plantation Municipal Utility District No. 5.

Added by Acts 2009, 81st Leg., R.S., Ch. 209 (S.B. 930), Sec. 1, eff. May 27, 2009.

Sec. 8321.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is essential to accomplish the purposes of Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 209 (S.B. 930), Sec. 1, eff. May 27, 2009.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8321.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes described by Section 8321.002.

Added by Acts 2009, 81st Leg., R.S., Ch. 209 (S.B. 930), Sec. 1, eff. May 27, 2009.

Sec. 8321.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 209 (S.B. 930), Sec. 1, eff. May 27, 2009.
Sec. 8321.053.  AUTHORITY FOR ROAD PROJECTS.  Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 209 (S.B. 930), Sec. 1, eff. May 27, 2009.

Sec. 8321.054.  ROAD STANDARDS AND REQUIREMENTS.  (a)  A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b)  If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c)  If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 209 (S.B. 930), Sec. 1, eff. May 27, 2009.

Sec. 8321.055.  LIMITATION ON USE OF EMINENT DOMAIN.  The district may not exercise the power of eminent domain outside the district to acquire a site or easement for a road project authorized by Section 8321.053.

Added by Acts 2009, 81st Leg., R.S., Ch. 209 (S.B. 930), Sec. 1, eff. May 27, 2009.

SUBCHAPTER C.  BONDS AND OTHER OBLIGATIONS

Sec. 8321.101.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS.  (a)  The district may issue bonds or other
obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8321.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 209 (S.B. 930), Sec. 1, eff. May 27, 2009.

Sec. 8321.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 209 (S.B. 930), Sec. 1, eff. May 27, 2009.

CHAPTER 8322. SIENNA PLANTATION MUNICIPAL UTILITY DISTRICT NO. 6

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8322.001. DEFINITION. In this chapter, "district" means the Sienna Plantation Municipal Utility District No. 6.

Added by Acts 2009, 81st Leg., R.S., Ch. 210 (S.B. 931), Sec. 1, eff. May 27, 2009.

Sec. 8322.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district is essential to accomplish the purposes of Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 210 (S.B. 931), Sec. 1, eff. May 27, 2009.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8322.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes described by Section 8322.002.

Added by Acts 2009, 81st Leg., R.S., Ch. 210 (S.B. 931), Sec. 1, eff. May 27, 2009.

Sec. 8322.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 210 (S.B. 931), Sec. 1, eff. May 27, 2009.

Sec. 8322.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 210 (S.B. 931), Sec. 1, eff. May 27, 2009.

Sec. 8322.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road
project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 210 (S.B. 931), Sec. 1, eff. May 27, 2009.

Sec. 8322.055. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for a road project authorized by Section 8322.053.

Added by Acts 2009, 81st Leg., R.S., Ch. 210 (S.B. 931), Sec. 1, eff. May 27, 2009.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8322.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8322.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
Sec. 8322.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 210 (S.B. 931), Sec. 1, eff. May 27, 2009.

CHAPTER 8323. SIENNA PLANTATION MUNICIPAL UTILITY DISTRICT NO. 7

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8323.001. DEFINITION. In this chapter, "district" means the Sienna Plantation Municipal Utility District No. 7.

Added by Acts 2009, 81st Leg., R.S., Ch. 211 (S.B. 932), Sec. 1, eff. May 27, 2009.

Sec. 8323.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is essential to accomplish the purposes of Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 211 (S.B. 932), Sec. 1, eff. May 27, 2009.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8323.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes described by
Section 8323.002.

Added by Acts 2009, 81st Leg., R.S., Ch. 211 (S.B. 932), Sec. 1, eff. May 27, 2009.

Sec. 8323.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 211 (S.B. 932), Sec. 1, eff. May 27, 2009.

Sec. 8323.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 211 (S.B. 932), Sec. 1, eff. May 27, 2009.

Sec. 8323.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 8323.055. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for a road project authorized by Section 8323.053.

Added by Acts 2009, 81st Leg., R.S., Ch. 211 (S.B. 932), Sec. 1, eff. May 27, 2009.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8323.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8323.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 211 (S.B. 932), Sec. 1, eff. May 27, 2009.

Sec. 8323.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 211 (S.B. 932), Sec. 1, eff.
May 27, 2009.

CHAPTER 8324. LAKE WEATHERFORD MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8324.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Lake Weatherford Municipal Utility District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8324.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.
Sec. 8324.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2(a) of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2(a) of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8324.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8324.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1,
Sec. 8324.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8324.003; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8324.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8324.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8324.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 8324.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.
Sec. 8324.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted before the effective date of the Act creating this chapter under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.106. SELECTION OF EXTRATERRITORIAL JURISDICTION. The board may not select the municipality that may exercise authority in the district as provided by Section 54.0163, Water Code, unless the City of Weatherford provides written consent to that selection.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.107. LIMITATION ON ANNEXATION OF LAND BY DISTRICT. Notwithstanding Section 54.016(d), Water Code, the district may not annex land that is located in the extraterritorial jurisdiction of a municipality unless the City of Weatherford provides written consent to that annexation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.108. EFFECT OF ANNEXATION BY CITY OF WEATHERFORD. (a) The City of Weatherford may annex part of the territory of the district into its corporate limits without annexing all of the territory of the district under an agreement entered into before the effective date of the Act creating this chapter between the City of Weatherford and the landowners of the land being annexed. The district continues in existence following annexation of part of the territory of the district as described by this subsection.

(b) The district shall be dissolved and its debts and
obligations assumed by the City of Weatherford in accordance with Chapter 43, Local Government Code, including Sections 43.075 and 43.0715, on annexation of all of the territory of the district by the City of Weatherford, provided that:

(1) water, sanitary sewer, and drainage improvements, and roads have been constructed to serve at least 95 percent of the territory of the district; or

(2) the board adopts a resolution consenting to the dissolution of the district.

(c) If all of the territory of the district is annexed by the City of Weatherford but the conditions under Subsection (b) have not been met, the City of Weatherford may dissolve the district by resolution only on or after the 20th anniversary of the effective date of the Act creating this chapter.

(d) Notwithstanding Section 54.016(f)(2), Water Code, a contract ("Allocation Agreement") between the City of Weatherford and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city, may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on the property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.109. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8324.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.110. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created:
   (1) contain any land outside the area described by Section 2(a) of the Act creating this chapter; or
   (2) contain less than 200 or more than 600 acres of land without the prior consent of any municipality in whose extraterritorial jurisdiction the district is located.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8324.003 to confirm the district's creation.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8324.003.

(i) Except as provided by Subsection (c), municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8324.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter
approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8324.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8324.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8324.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8324.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8324.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.
CHAPTER 8325. LAKE WEATHERFORD MUNICIPAL UTILITY DISTRICT NO. 2
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8325.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Lake Weatherford Municipal Utility District No. 2.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8325.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2(b) of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2(b) of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8325.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8325.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.
Sec. 8325.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8325.003; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8325.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8325.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8325.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.
Sec. 8325.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable
requirements of any ordinance or resolution that is adopted before
the effective date of the Act creating this chapter under Section
54.016 or 54.0165, Water Code, and that consents to the creation of
the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1,

Sec. 8325.106. SELECTION OF EXTRATERRITORIAL JURISDICTION. The
board may not select the municipality that may exercise authority in
the district as provided by Section 54.0163, Water Code, unless the
City of Weatherford provides written consent to that selection.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1,

Sec. 8325.107. LIMITATION ON ANNEXATION OF LAND BY DISTRICT.
Notwithstanding Section 54.016(d), Water Code, the district may not
annex land that is located in the extraterritorial jurisdiction of a
municipality unless the City of Weatherford provides written consent
to that annexation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1,

Sec. 8325.108. EFFECT OF ANNEXATION BY CITY OF WEATHERFORD.
(a) The City of Weatherford may annex part of the territory of the
district into its corporate limits without annexing all of the
territory of the district under an agreement entered into before the
effective date of the Act creating this chapter between the City of
Weatherford and the landowners of the land being annexed. The
district continues in existence following annexation of part of the
territory of the district as described by this subsection.

(b) The district shall be dissolved and its debts and
obligations assumed by the City of Weatherford in accordance with
Chapter 43, Local Government Code, including Sections 43.075 and
43.0715, on annexation of all of the territory of the district by the
City of Weatherford, provided that:
(1) water, sanitary sewer, and drainage improvements, and roads have been constructed to serve at least 95 percent of the territory of the district; or

(2) the board adopts a resolution consenting to the dissolution of the district.

(c) If all of the territory of the district is annexed by the City of Weatherford but the conditions under Subsection (b) have not been met, the City of Weatherford may dissolve the district by resolution only on or after the 20th anniversary of the effective date of the Act creating this chapter.

(d) Notwithstanding Section 54.016(f)(2), Water Code, a contract ("Allocation Agreement") between the City of Weatherford and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city, may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on the property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.109. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8325.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.110. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.
(c) Any new district created by the division of the district may not, at the time the new district is created:
   (1) contain any land outside the area described by Section 2(b) of the Act creating this chapter; or
   (2) contain less than 200 or more than 600 acres of land without the prior consent of any municipality in whose extraterritorial jurisdiction the district is located.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8325.003 to confirm the district's creation.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8325.003.

(i) Except as provided by Subsection (c), municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8325.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1,
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8325.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8325.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8325.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8325.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

Sec. 8325.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1058 (H.B. 4698), Sec. 1, eff. June 19, 2009.

**CHAPTER 8326. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 525**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8326.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Municipal Utility District No. 525.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

Sec. 8326.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

Sec. 8326.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

Sec. 8326.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8326.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

Sec. 8326.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
   (b) The district is created to accomplish the purposes of:
      (1) a municipal utility district as provided by general law
and Section 59, Article XVI, Texas Constitution; and
  (2) Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, operation, maintenance, or
improvement of macadamized, graveled, or paved roads or improvements,
including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff.
May 27, 2009.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 674 (S.B. 2287), Sec. 1, eff.
June 12, 2017.

Sec. 8326.006. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process
does not affect the district's:
  (1) organization, existence, or validity;
  (2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest
on a bond;
  (3) right to impose a tax; or
  (4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff.
May 27, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8326.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five elected directors.
(b) Except as provided by Section 8326.052, directors serve
staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff.
May 27, 2009.
Sec. 8326.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
    (1) the date permanent directors are elected under Section 8326.003; or
    (2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8326.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
    (1) the date permanent directors are elected under Section 8326.003; or
    (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8326.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.
Sec. 8326.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

Sec. 8326.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.
Amended by:

Acts 2017, 85th Leg., R.S., Ch. 674 (S.B. 2287), Sec. 2, eff. June 12, 2017.

Sec. 8326.1045. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2017, 85th Leg., R.S., Ch. 674 (S.B. 2287), Sec. 3, eff. June 12, 2017.

Sec. 8326.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

Sec. 8326.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8326.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8326.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8326.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an
Sec. 8326.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8326.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code. 

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

Sec. 8326.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8326.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.
Sec. 8326.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

Sec. 8326.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 226 (S.B. 1464), Sec. 1, eff. May 27, 2009.

CHAPTER 8327. OATMAN HILL MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8327.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Oatman Hill Municipal Utility District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

Sec. 8327.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.
Sec. 8327.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

Sec. 8327.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8327.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

Sec. 8327.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

Sec. 8327.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of
the Act enacting this chapter form a closure within each tract as
described. A mistake made in the field notes or in copying the field
notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest
on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1,
eff. September 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8327.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five elected directors.
(b) Except as provided by Section 8327.052, directors serve
staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1,
eff. September 1, 2011.

Sec. 8327.052. TEMPORARY DIRECTORS. (a) On or after September
1, 2011, the owner or owners of a majority of the assessed value of
the real property in the district may submit a petition to the
commission requesting that the commission appoint as temporary
directors the five persons named in the petition. The commission
shall appoint as temporary directors the five persons named in the
petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section
8327.003; or
(2) September 1, 2015.
(c) If permanent directors have not been elected under Section
8327.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier
of:
(1) the date permanent directors are elected under Section
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8327.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

Sec. 8327.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

Sec. 8327.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this
section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

Sec. 8327.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8327.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

Sec. 8327.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

Sec. 8327.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8327.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.
Sec. 8327.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8327.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8327.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8327.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8327.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 8327.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

Sec. 8327.202.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

Sec. 8327.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1264 (S.B. 1877), Sec. 1, eff. September 1, 2011.

CHAPTER 8328.  FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 202 SUBCHAPTER A.  GENERAL PROVISIONS
Sec. 8328.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Fort Bend County Municipal Utility District No. 202.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

Sec. 8328.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

Sec. 8328.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

Sec. 8328.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.
Sec. 8328.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8328.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8328.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

Sec. 8328.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8328.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.
(c) If permanent directors have not been elected under Section 8328.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8328.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8328.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

Sec. 8328.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

Sec. 8328.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design,
acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

Sec. 8328.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8328.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

Sec. 8328.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8328.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.
SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS

Sec. 8328.151.  ELECTIONS REGARDING TAXES OR BONDS.  (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8328.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

Sec. 8328.152.  OPERATION AND MAINTENANCE TAX.  (a) If authorized at an election held under Section 8328.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 385 (H.B. 1597), Sec. 1, eff. June 19, 2009.

Sec. 8328.153.  CONTRACT TAXES.  (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Statute text rendered on: 6/18/2019
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8328.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8328.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8328.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

CHAPTER 8329. FORT BEND–WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8329.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.

(3) "District" means the Fort Bend-Waller Counties Municipal Utility District No. 2.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8329.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.006. INITIAL DISTRICT TERRITORIAL. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8329.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8329.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Suzanne Corbin;
(2) Carolyn Davis;
(3) Jeff Hayes;
(4) Sharon Wallingford; and
(5) Ray Deyoe.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8329.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8329.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8329.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8329.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 8329.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.
Sec. 8329.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8329.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Sec. 8329.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8329.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8329.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8329.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 8329.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8329.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff. June 19, 2009.

Sec. 8329.203. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 766 (S.B. 860), Sec. 1, eff.

CHAPTER 8330.  FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 192
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8330.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Fort Bend County Municipal Utility
District No. 192.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff.

Sec. 8330.002.  NATURE OF DISTRICT.  The district is a municipal
utility district created under Section 59, Article XVI, Texas
Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff.

Sec. 8330.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as
provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff.

Sec. 8330.004.  CONSENT OF MUNICIPALITY REQUIRED.  (a)  The
temporary directors may not hold an election under Section 8330.003
until each municipality in whose corporate limits or extraterritorial
jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the municipality that consents to the creation of the district or to the inclusion of lands within the district.

(c) In addition to the restrictions and conditions described by Section 54.016(e), Water Code, a municipality that contains district territory in its corporate limits or extraterritorial jurisdiction may include in the municipality's consent any restriction on or condition to the municipality's consent to the creation of the district, including a limitation on the powers of the district otherwise granted by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

Sec. 8330.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

Sec. 8330.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process
does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8330.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8330.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

Sec. 8330.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8330.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8330.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8330.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

Sec. 8330.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

Sec. 8330.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this
section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

Sec. 8330.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8330.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

Sec. 8330.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8330.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8330.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8330.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

Sec. 8330.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8330.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

Sec. 8330.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.
Sec. 8330.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

Sec. 8330.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

Sec. 8330.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 505 (S.B. 994), Sec. 1, eff. June 19, 2009.

CHAPTER 8331. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 204

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8331.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Fort Bend County Municipal Utility District No. 204.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.
Sec. 8331.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8331.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Except as provided by Section 8331.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
   (b) Temporary directors serve until the earlier of:
       (1) the date permanent directors are elected under Section 8331.003; or
       (2) the fourth anniversary of the effective date of the Act creating this chapter.
   (c) If permanent directors have not been elected under Section 8331.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
       (1) the date permanent directors are elected under Section 8331.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8331.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from
the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8331.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8331.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8331.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8331.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8331.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS
Sec. 8331.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

Sec. 8331.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 384 (H.B. 1596), Sec. 1, eff. June 19, 2009.

CHAPTER 8332. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 76

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8332.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Galveston County Municipal Utility District No. 76.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.
Sec. 8332.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

Sec. 8332.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

Sec. 8332.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8332.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

Sec. 8332.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution;

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads; and

(3) a navigation district as provided by general law and
Sec. 8332.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8332.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8332.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

Sec. 8332.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons
(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8332.003; or
   (2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8332.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8332.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

### SUBCHAPTER C. POWERS AND DUTIES

**Sec. 8332.101.** GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

**Sec. 8332.102.** MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8332.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

Sec. 8332.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8332.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

Sec. 8332.105. CERTAIN NAVIGATION IMPROVEMENTS. The district has the power to purchase, construct, acquire, own, operate, maintain, improve, or extend, inside or outside the district, a canal
or other waterway, bulkhead, dock, or other improvement necessary or 
convenient to accomplish the purposes of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. 

Sec. 8332.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR 
RESOLUTION. The district shall comply with all applicable 
requirements of any ordinance or resolution that is adopted under 
Section 54.016 or 54.0165, Water Code, and that consents to the 
creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. 

Sec. 8332.107. LIMITATION ON USE OF EMINENT DOMAIN. The 
district may not exercise the power of eminent domain outside the 
district to acquire a site or easement for:

(1) a road project authorized by Section 8332.103;

(2) a recreational facility as defined by Section 49.462, 
Water Code; or

(3) a navigation facility described by Section 8332.105.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. 

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8332.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The 
district may issue, without an election, bonds and other obligations 
secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8332.153.

(b) The district must hold an election in the manner provided 
by Chapters 49 and 54, Water Code, to obtain voter approval before 
the district may impose an ad valorem tax or issue bonds payable from 
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem 
taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

Sec. 8332.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8332.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

Sec. 8332.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8332.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.
Sec. 8332.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

Sec. 8332.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 536 (S.B. 1483), Sec. 1, eff. June 19, 2009.

CHAPTER 8333. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 201
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8333.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Fort Bend County Municipal Utility District No. 201.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

Sec. 8333.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.
Sec. 8333.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

Sec. 8333.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

Sec. 8333.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8333.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8333.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

Sec. 8333.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8333.003; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8333.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8333.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor...
temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8333.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

Sec. 8333.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

Sec. 8333.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.
Sec. 8333.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8333.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

Sec. 8333.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8333.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8333.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8333.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

Sec. 8333.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8333.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

Sec. 8333.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8333.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.
Sec. 8333.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

Sec. 8333.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 388 (H.B. 1600), Sec. 1, eff. June 19, 2009.

CHAPTER 8334. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8334.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Municipal Utility District No. 478.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

Sec. 8334.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.
Sec. 8334.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

Sec. 8334.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8334.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

Sec. 8334.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff.
Sec. 8334.006. INITIAL DISTRICT TERRITORY.  (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

Subchapter B. Board of Directors

Sec. 8334.051. GOVERNING BODY; TERMS.  (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8334.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

Sec. 8334.052. TEMPORARY DIRECTORS.  (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section

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8334.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8334.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8334.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8334.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

Sec. 8334.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.
Sec. 8334.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

Sec. 8334.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8334.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.
Sec. 8334.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

Sec. 8334.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8334.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8334.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8334.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

Sec. 8334.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 8334.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

Sec. 8334.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8334.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

Sec. 8334.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 8334.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 508 (S.B. 1039), Sec. 1, eff. June 19, 2009.

CHAPTER 8335. BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8335.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Bastrop County Municipal Utility District No. 2.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.
Sec. 8335.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8335.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.
Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8335.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8335.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) William Strawn;
(2) Michael Lamendola;
(3) David Bowen;
(4) Sean Mills; and
(5) Ann Schneider.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8335.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8335.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8335.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission
shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8335.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road...
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.106. CONTRACT WITH CERTAIN MUNICIPALITIES REQUIRED. (a) In order to exercise the powers and duties of a municipal utility district granted by this chapter, the district shall enter into a written contract with any municipality within whose extraterritorial jurisdiction the district is wholly or partly located:

(1) regulating the continuation of the extraterritorial status of the district and its annexation by the municipality;

(2) regulating the development within the boundaries of the district in a manner that the parties agree will further the health, safety, and welfare of the residents of the district; and

(3) containing other terms and consideration that the municipality determines to be reasonable and appropriate.

(b) A contract under this section may be renewed or extended for successive periods not to exceed 15 years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1,
Sec. 8335.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:
(1) a road project authorized by Section 8335.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8335.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8335.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8335.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1,
Sec. 8335.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8335.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1, eff. June 19, 2009.

Sec. 8335.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1412 (H.B. 4772), Sec. 1,

CHAPTER 8336. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 13

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8336.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Waller County Municipal Utility
District No. 13.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff.

Sec. 8336.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas
Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff.

Sec. 8336.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as
provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff.

Sec. 8336.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law
and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, or improvement of
macadamized, graveled, or paved roads described by Section 54.234,
Water Code, or improvements, including storm drainage, in aid of
those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff.

Sec. 8336.005. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process
does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest
on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8336.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five elected directors.
(b) Except as provided by Section 8336.052, directors serve
staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff.

Sec. 8336.052. TEMPORARY DIRECTORS. (a) On or after the
effective date of the Act creating this chapter, the owner or owners
of a majority of the assessed value of the real property in the
district may submit a petition to the Texas Commission on
Environmental Quality requesting that the commission appoint as
temporary directors the five persons named in the petition. The
commission shall appoint as temporary directors the five persons
named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section
   8336.003; or
   (2) the fourth anniversary of the effective date of the Act
creating this chapter.

(c) If permanent directors have not been elected under Section
8336.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier
of:
   (1) the date permanent directors are elected under Section
   8336.003; or
   (2) the fourth anniversary of the date of the appointment
or reappointment.

(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons
named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8336.101. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff.

Sec. 8336.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff. June 19, 2009.

Sec. 8336.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff. June 19, 2009.

Sec. 8336.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8336.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff. June 19, 2009.
Sec. 8336.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8336.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8336.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8336.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff. June 19, 2009.

Sec. 8336.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8336.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff. June 19, 2009.
Sec. 8336.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8336.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff. June 19, 2009.

Sec. 8336.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff. June 19, 2009.

Sec. 8336.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 389 (H.B. 1601), Sec. 1, eff. June 19, 2009.

CHAPTER 8337.  FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 200

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8337.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Fort Bend County Municipal Utility District No. 200.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

Sec. 8337.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

Sec. 8337.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

Sec. 8337.004.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

Sec. 8337.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8337.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8337.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

Sec. 8337.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Alan Lee;
(2) U. L. Edwards;
(3) Danny Wilbanks;
(4) Jim Taylor; and
(5) John West.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8337.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8337.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8337.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8337.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

Sec. 8337.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of
added by acts 2009, 81st leg., r.s., ch. 499 (s.b. 880), sec. 1, eff. june 19, 2009.

sec. 8337.103. authority for road projects. (a) under section 52, article iii, texas constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by section 54.234, water code, or improvements, including storm drainage, in aid of those roads.

(b) the district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the texas commission on environmental quality as required by section 54.234, water code.

added by acts 2009, 81st leg., r.s., ch. 499 (s.b. 880), sec. 1, eff. june 19, 2009.

sec. 8337.104. approval of road project. (a) the district may not undertake a road project authorized by section 8337.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the texas transportation commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) except as provided by subsection (a), the district is not required to obtain approval from the texas transportation commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

added by acts 2009, 81st leg., r.s., ch. 499 (s.b. 880), sec. 1, eff. june 19, 2009.
Sec. 8337.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8337.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8337.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8337.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

Sec. 8337.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8337.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.
Sec. 8337.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8337.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

Sec. 8337.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 499 (S.B. 880), Sec. 1, eff. June 19, 2009.

Sec. 8337.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
CHAPTER 8338.  FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 161

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8338.001.  DEFINITION.  In this chapter, "district" means the Fort Bend County Municipal Utility District No. 161.

Sec. 8338.002.  NATURE AND PURPOSES OF DISTRICT.  (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is essential to accomplish the purposes of Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

SUBCHAPTER B.  POWERS AND DUTIES

Sec. 8338.051.  GENERAL POWERS AND DUTIES.  The district has the powers and duties necessary to accomplish the purposes described by Section 8338.002.

Sec. 8338.052.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.  The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8338.053. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Sec. 8338.054. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8338.053 unless:

1. each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

2. the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Sec. 8338.055. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for a road project authorized
by Section 8338.053.

Added by Acts 2009, 81st Leg., R.S., Ch. 490 (S.B. 748), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8338.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8338.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 490 (S.B. 748), Sec. 1, eff. June 19, 2009.

Sec. 8338.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 490 (S.B. 748), Sec. 1, eff. June 19, 2009.

CHAPTER 8339. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 163

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8339.001. DEFINITION. In this chapter, "district" means the Fort Bend County Municipal Utility District No. 163.
Sec. 8339.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is essential to accomplish the purposes of Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Sec. 8339.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes described by Section 8339.002.

Sec. 8339.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8339.053. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance
macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 491 (S.B. 749), Sec. 1, eff. June 19, 2009.

Sec. 8339.054. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8339.053 unless:

1. each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

2. the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 491 (S.B. 749), Sec. 1, eff. June 19, 2009.

Sec. 8339.055. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for a road project authorized by Section 8339.053.

Added by Acts 2009, 81st Leg., R.S., Ch. 491 (S.B. 749), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS
Sec. 8339.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS
FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8339.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 491 (S.B. 749), Sec. 1, eff. June 19, 2009.

Sec. 8339.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 491 (S.B. 749), Sec. 1, eff. June 19, 2009.

CHAPTER 8340. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 203

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8340.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Fort Bend County Municipal Utility District No. 203.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.
Sec. 8340.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

Sec. 8340.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

Sec. 8340.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

Sec. 8340.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8340.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Except as provided by Section 8340.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

Sec. 8340.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
   (b) Temporary directors serve until the earlier of:
       (1) the date permanent directors are elected under Section 8340.003; or
       (2) the fourth anniversary of the effective date of the Act creating this chapter.
   (c) If permanent directors have not been elected under Section 8340.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
       (1) the date permanent directors are elected under Section 8340.003; or
       (2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8340.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

Sec. 8340.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

Sec. 8340.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.
Sec. 8340.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8340.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Sec. 8340.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8340.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8340.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8340.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

Sec. 8340.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8340.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

Sec. 8340.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8340.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of
those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

Sec. 8340.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

Sec. 8340.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 386 (H.B. 1598), Sec. 1, eff. June 19, 2009.

For contingent expiration of this chapter, see Section 8341.003.

CHAPTER 8341. HUNT COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8341.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Hunt County Municipal Utility District No. 1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

(b) If the creation of the district is not confirmed at a confirmation election held under this section before September 1, 2015:

(1) the district is dissolved December 31, 2015, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Hunt County or the City of Greenville, as mutually determined by the governing bodies of Hunt County and the City of Greenville; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2018.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8341.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.
Sec. 8341.005. DEVELOPMENT AGREEMENT REQUIRED. (a) The temporary directors may not hold an election under Section 8341.003 until a development agreement, as described by Section 212.172, Local Government Code, covering the land described by Section 2 of the Act creating this chapter, is executed by the owners of the land covered by the development agreement and by the City of Greenville.

(b) The district may not annex land until:

(1) the land proposed for annexation is covered by a development agreement executed by the owners of the land and the City of Greenville; or

(2) the governing bodies of the City of Greenville and Hunt County consent by ordinance or resolution to the annexation.

(c) Notwithstanding the requirement under Section 212.172(b), Local Government Code, that a development agreement apply only to land located in the extraterritorial jurisdiction of a municipality, a development agreement described by this section may cover land outside the extraterritorial jurisdiction of the City of Greenville.

(d) Section 212.172(d), Local Government Code, does not apply to a development agreement described by this section, and the term of the development agreement may be renewed or extended as mutually agreed to by the owners of the land covered by the agreement and the City of Greenville.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.006. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

(c) The creation of the district is in the public interest and is essential to accomplish the purposes of Section 52-a, Article III, Texas Constitution, and to:

(1) further the public purposes of developing and
diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.

(d) The district will:
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public; and
(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center.

(e) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.007. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8341.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8341.052, directors serve staggered four-year terms.
Sec. 8341.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
   (1) Jason Claunch;
   (2) Jon Smalling;
   (3) Spencer Taylor;
   (4) Derek Rogers; and
   (5) Rome Barnes.
(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8341.003; or
   (2) September 1, 2015.
(c) If permanent directors have not been elected under Section 8341.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8341.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8341.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 8341.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.103. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity to which any land in the district is subject.

(b) The district may not provide retail water or wastewater services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may acquire, construct, improve, operate, and maintain macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must:

(1) meet all construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located that apply to the construction, improvement, maintenance, repair, or
operation of the road project; and

(2) comply with the development agreement required by Section 8341.005.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) The district shall pay all costs associated with the maintenance or operation of a road project.

(d) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added byActs 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added byActs 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.107. ANNEXATION BY CITY OF GREENVILLE. The City of Greenville may annex a district created under this chapter on the earlier of:

(1) the date that water, sanitary sewer, drainage, and road improvements and roads have been constructed to serve 90 percent of the land in the district; or

(2) the 15th anniversary of the date of the election held to confirm the creation of the district or any new district created by the division of the district.

Added byActs 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.
Sec. 8341.108. RAIL FACILITIES. The district may construct, acquire, improve, maintain, and operate rail facilities and improvements in aid of those facilities.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.109. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8341.104; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.110. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) the requirements of Subsection (i) are satisfied.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8341.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8341.003.

(i) The district may not divide under this section unless a development agreement has been executed as provided by Section 8341.005.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8341.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8341.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.
Sec. 8341.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8341.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.
(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8341.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, revenue from economic development agreements under Chapter 380, Local Government Code, other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.202. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.204.  LIMIT ON REFINANCING DEBT.  The district may not refinance any debt incurred on behalf of the district more than one time without the prior written consent of the City of Greenville.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F.  DISSOLUTION

Sec. 8341.251.  DISSOLUTION FOLLOWING ANNEXATION BY CITY OF GREENVILLE.  (a) On annexation of the district by the City of Greenville, the district is dissolved in accordance with the ordinance of the City of Greenville authorizing the annexation.

(b)  Section 43.075(d), Local Government Code, applies to the City of Greenville on the date the municipality adopts an ordinance described by Subsection (a).

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.
Sec. 8341.252. COLLECTION OF REVENUE OTHER THAN AD VALOREM TAXES. If at the time of dissolution the district has outstanding bonds or other obligations secured by and payable from revenue described by Section 8341.201 other than ad valorem taxes, the municipality succeeds to the rights and obligations of the district regarding enforcement and collection of the revenue and shall enforce and collect revenue as necessary to pay for:

(1) the bonds or other obligations issued by the district when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the City of Greenville to refund the outstanding bonds or obligations.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) The City of Greenville assumes the obligations of the district after dissolution, including any bonds or other indebtedness payable from revenue described by Section 8341.201.

(b) On dissolution of the district, ownership of all district property is transferred to Hunt County or the City of Greenville as mutually determined by the governing bodies of Hunt County and the City of Greenville.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.
Sec. 8342.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

Sec. 8342.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

Sec. 8342.004. CONSENT OF MUNICIPALITY AND DEVELOPMENT AGREEMENT REQUIRED. (a) The temporary directors may not hold an election under Section 8342.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has:

(1) consented by ordinance or resolution to the creation of the district; and

(2) entered into a development agreement with the majority owner of the assessed value of the real property in the district.

(b) If a development agreement required under Subsection (a)(2) has not been entered into before September 1, 2010:

(1) the district is dissolved September 1, 2010, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Hood County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2013.
Sec. 8342.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  (a) The district is created to serve a public purpose and benefit.  
(b) The district is created to accomplish the purposes of:  
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and  
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8342.006. INITIAL DISTRICT TERRITORY.  (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.  
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure.  A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:  
(1) organization, existence, or validity;  
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;  
(3) right to impose a tax; or  
(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8342.051. GOVERNING BODY; TERMS.  (a) The district is governed by a board of five elected directors.  
(b) Except as provided by Section 8342.052, directors serve staggered four-year terms.
Sec. 8342.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Jeffrey Krueger;
(2) William Bruce Schneider;
(3) Kevin Patton;
(4) Virgil R. Briscoe; and
(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8342.003; or
   (2) September 1, 2013.
(c) If permanent directors have not been elected under Section 8342.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8342.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Sec. 8342.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Subchapter C. Powers and Duties
Sec. 8342.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

Sec. 8342.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

Sec. 8342.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.
Sec. 8342.105. COMPLIANCE WITH MUNICIPAL REGULATIONS. Any water, sanitary sewer, drainage, or other infrastructure or public facilities constructed, acquired, improved, maintained, or operated by the district shall comply with any subdivision or other applicable regulations of any municipality in whose corporate limits or extraterritorial jurisdiction the infrastructure or public facilities are located.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

Sec. 8342.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

Sec. 8342.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

1. a road project authorized by Section 8342.103; or
2. a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

Sec. 8342.108. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

1. has no outstanding bonded debt; and
2. is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district and is subject to all
limitations and conditions provided by this chapter.

(d) A new district created by the division of the district may not, at the time the new district is created, contain land that is not contiguous to the area described by Section 2 of the Act creating this chapter.

(e) A division of the district may not occur until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has adopted a resolution consenting to the division.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

Sec. 8342.109. LIMITATION ON DISSOLUTION OF DISTRICT. (a) Before the issuance of bonds, the district or any new district created by the division of the district may not be dissolved unless the dissolution is approved by:

(1) the board;
(2) the majority owner of the assessed value of the real property in the district or the new district, as applicable; and
(3) the governing body of each municipality in whose corporate limits or extraterritorial jurisdiction the district or the new district is located.

(b) The district or any new district may not be dissolved if it has outstanding bonded debt unless:

(1) all the property in the district or the new district is annexed by a municipality;
(2) the dissolution is approved by the governing body of the municipality; and
(3) the bonded debt and developer reimbursement obligations of the district or the new district are assumed by the municipality in whose corporate limits or extraterritorial jurisdiction the district or the new district is located or by another entity approved by the municipality.

(c) A dissolution subject to Subsection (b) is effective when all outstanding bonded debt and developer reimbursement obligations have been discharged.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.
Sec. 8342.110. DEDICATION OF AIRPORT PROPERTY. The district may dedicate, by fee or easement, property owned by the district for any purposes necessary or convenient for the operation, use, or expansion of a municipal airport.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8342.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8342.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

Sec. 8342.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8342.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.
Sec. 8342.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose. 

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8342.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

Sec. 8342.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 422 (H.B. 2035), Sec. 1, eff. September 1, 2009.

Sec. 8342.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Statute text rendered on: 6/18/2019
CHAPTER 8343. RANCH AT CLEAR FORK CREEK MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8343.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Ranch at Clear Fork Creek Municipal Utility District No. 1.

Sec. 8343.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8343.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8343.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8343.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the territory added by Section 8343.005 is located has consented by ordinance or resolution to the inclusion of land in the
district. Consent of the City of San Marcos is required for the inclusion in the district of the 203.47-acre tract described in Section 2 of the Act enacting this chapter unless the district, before holding an election under Section 8343.003, excludes the 203.47-acre tract described in Section 2 of the Act enacting this chapter from the district's territory.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 472 (S.B. 1075), Sec. 1, eff. June 14, 2013.

Sec. 8343.005. TERRITORY ADDED. (a) The territory described by Section 2 of the Act enacting this chapter is added to the district's territory as of the effective date of this section.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8343.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8343.052, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.
Sec. 8343.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Julie Lane;
(2) Heidi Parker;
(3) Jerry Valdez;
(4) Craig Grona; and
(5) Bruce Aupperle.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8343.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.
(c) If permanent directors have not been elected under Section 8343.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8343.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8343.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.
Sec. 8343.102.  AUTHORITY FOR ROAD PROJECTS.  Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, including bridges, storm drainage, and other improvements or appurtenances in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.

Sec. 8343.103.  ROAD STANDARDS AND REQUIREMENTS.  (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If a municipality or county will maintain and operate the road, the municipality or county must approve the plans and specifications of the road project.

(d) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.

Sec. 8343.104.  LIMITATION ON USE OF EMINENT DOMAIN.  The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8343.102; or

(2) a recreational facility as defined by Section 49.462, Water Code.
Sec. 8343.151. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes or assessments.

Sec. 8343.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district, including the power to divide in accordance with this section.

Sec. 8343.153. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the combined area of:

(1) the territory of the district at the time the district was initially created; and
(2) the area added by Section 8343.005.

Sec. 8343.154. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district according to the most recent appraisal roll for each county in which the district is located, may adopt an order dividing the district.
(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8343.003 to confirm the district's creation.

(c) An order dividing the district:

(1) must:

(A) name each new district;

(B) include the metes and bounds description of the territory of each new district;

(C) appoint temporary directors for each new district; and

(D) provide for the division of assets and liabilities between or among the new districts; and

(2) is subject to a confirmation election in each new district.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.

Sec. 8343.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8343.003.

(b) The results of that election must be filed as required by Sections 49.102(e) and (f), Water Code.

(c) The division of the district is not effective unless the voters of each proposed new district vote to confirm the creation of their new district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.

Sec. 8343.156. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8343.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.
Sec. 8343.157. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by Chapters 49 and 54, Water Code, and this chapter to obtain voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8343.201. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8343.251.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8343.251. BONDS FOR ROAD PROJECTS. (a) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(b) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1258 (S.B. 629), Sec. 1, eff. June 17, 2011.

CHAPTER 8344. RANCH AT CLEAR FORK CREEK MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8344.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Ranch at Clear Fork Creek Municipal Utility District No. 2.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8344.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the territory added by Section 8344.005 is located has consented by ordinance or resolution to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.005. TERRITORY ADDED. (a) The territory described
by Section 2 of the Act enacting this chapter is added to the district's territory as of the effective date of this section.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8344.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8344.052, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Erika Jasinski;
(2) Eric Blakely;
(3) Jonathan Parker;
(4) Meredith Powell; and
(5) Rick Dolifka.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8344.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8344.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8344.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8344.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.102. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, including bridges, storm drainage, and other improvements or appurtenances in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.
Sec. 8344.103. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If a municipality or county will maintain and operate the road, the municipality or county must approve the plans and specifications of the road project.

(d) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.104. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8344.102; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8344.151. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes or assessments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.
Sec. 8344.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district, including the power to divide in accordance with this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.153. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the combined area of:

(1) the territory of the district at the time the district was initially created; and
(2) the area added by Section 8344.005.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.154. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district according to the most recent appraisal roll for each county in which the district is located, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8344.003 to confirm the district's creation.

(c) An order dividing the district:

(1) must:

(A) name each new district;
(B) include the metes and bounds description of the territory of each new district;
(C) appoint temporary directors for each new district; and
(D) provide for the division of assets and liabilities between or among the new districts; and

(2) is subject to a confirmation election in each new
district.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8344.003.

(b) The results of that election must be filed as required by Sections 49.102(e) and (f), Water Code.

(c) The division of the district is not effective unless the voters of each proposed new district vote to confirm the creation of their new district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.156. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8344.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

Sec. 8344.157. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by Chapters 49 and 54, Water Code, and this chapter to obtain voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.
SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8344.201. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8344.251.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8344.251. BONDS FOR ROAD PROJECTS. (a) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(b) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 30 (S.B. 630), Sec. 1, eff. May 9, 2011.

CHAPTER 8345. SOUTH FORK RANCH MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8345.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the South Fork Ranch Municipal Utility District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

Sec. 8345.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.
Sec. 8345.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8345.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8345.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8345.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of: (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Sec. 8345.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the
the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8345.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8345.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

Sec. 8345.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Nyle Maxwell;
(2) John Avery;
(3) Charles Avery;
(4) Joseph Rutledge; and
(5) Troy Lawson.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8345.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8345.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8345.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8345.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

Sec. 8345.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

Sec. 8345.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance...
macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may not exercise the powers provided by this section unless the district submits a petition to and obtains approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

Sec. 8345.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8345.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) The district may not design, acquire, construct, finance, issue bonds for, improve, or convey a road project unless the district obtains approval from the Texas Transportation Commission.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

Sec. 8345.105. STREET REPAIR AND MAINTENANCE. (a) After the 10th anniversary of the effective date of the Act creating this chapter, the district, at the district's expense, shall repair and maintain the streets in the district.

(b) A district's repair and maintenance of a street under this section must meet all applicable construction standards and regulations of Williamson County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.
Sec. 8345.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

Sec. 8345.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8345.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8345.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8345.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

Sec. 8345.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 8345.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

Sec. 8345.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8345.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

Sec. 8345.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 8345.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1095 (H.B. 4803), Sec. 1, eff. June 19, 2009.

CHAPTER 8346. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 15
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8346.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Waller County Municipal Utility District No. 15.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.

Sec. 8346.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.

Sec. 8346.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.
Sec. 8346.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  (a) The district is created to serve a public purpose and benefit. 
(b) The district is created to accomplish the purposes of:
  (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
  (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.

Sec. 8346.005. INITIAL DISTRICT TERRITORY.  (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
  (1) organization, existence, or validity;
  (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
  (3) right to impose a tax; or
  (4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8346.051. GOVERNING BODY; TERMS.  (a) The district is governed by a board of five elected directors. 
(b) Except as provided by Section 8346.052, directors serve staggered four-year terms.
Sec. 8346.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8346.003; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8346.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8346.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8346.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the
Sec. 8346.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.

Sec. 8346.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.

Sec. 8346.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8346.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.
(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.

Sec. 8346.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8346.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8346.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8346.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.

Sec. 8346.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8346.151, the district
may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff.

Sec. 8346.153. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an
operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8346.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract
payments, grants, or other district money, or any combination of
those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff.

Sec. 8346.202. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct
ad valorem tax, without limit as to rate or amount, while all or part
of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.
Sec. 8346.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 387 (H.B. 1599), Sec. 1, eff. June 19, 2009.

CHAPTER 8348. BROWN'S RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8348.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Brown's Ranch Municipal Utility District No. 1 of Grayson County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

Sec. 8348.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

Sec. 8348.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1,
Sec. 8348.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8348.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

Sec. 8348.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

Sec. 8348.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8348.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8348.052, directors serve staggered four-year terms.

Sec. 8348.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2009, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8348.003; or
(2) September 1, 2013.
(c) If permanent directors have not been elected under Section 8348.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8348.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8348.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8348.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8348.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8348.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project
must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

Sec. 8348.105. COSTS OF ROAD PROJECT. The district shall bear the cost of maintaining, improving, operating, and repairing a road authorized by Section 8348.103 that is located in the district, regardless of whether the district conveys the road to this state, a county, or a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

Sec. 8348.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

Sec. 8348.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8348.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.
Sec. 8348.108. LIMITATION ON ANNEXATION. The district may not annex land without the written consent by resolution or ordinance of each municipality in whose corporate limits or extraterritorial jurisdiction the land is located and the written consent of each water or sewer service provider that holds a certificate of public convenience and necessity and whose certificated service area includes any part of the land.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

Sec. 8348.109. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8348.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in
the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8348.003.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8348.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8348.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8348.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

Sec. 8348.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8348.151, the district may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

Sec. 8348.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8348.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

Sec. 8348.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1,
Sec. 8348.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1089 (H.B. 4790), Sec. 1, eff. September 1, 2009.

CHAPTER 8350. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 495
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8350.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Municipal Utility District No. 495.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.
Sec. 8350.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8350.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8350.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Except as provided by Section 8350.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
   (b) Temporary directors serve until the earlier of:
       (1) the date permanent directors are elected under Section 8350.003; or
       (2) the fourth anniversary of the effective date of the Act creating this chapter.
   (c) If permanent directors have not been elected under Section 8350.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
       (1) the date permanent directors are elected under Section 8350.003; or
       (2) the fourth anniversary of the date of the appointment or reappointment.
   (d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission
shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8350.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.
Sec. 8350.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8350.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8350.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8350.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8350.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8350.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8350.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

Sec. 8350.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 244 (S.B. 2455), Sec. 1, eff. May 27, 2009.

CHAPTER 8351. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 14

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8351.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Waller County Municipal Utility District No. 14.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff.
Sec. 8351.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process
does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8351.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8351.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8351.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8351.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8351.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this
section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8351.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8351.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8351.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8351.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8351.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.
Sec. 8351.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

Sec. 8351.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 392 (H.B. 1691), Sec. 1, eff. June 19, 2009.

CHAPTER 8352. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 403

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8352.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 403.

Added by Acts 2009, 81st Leg., R.S., Ch. 429 (H.B. 2102), Sec. 1, eff. June 19, 2009.
SUBCHAPTER B. POWERS AND DUTIES

Sec. 8352.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 429 (H.B. 2102), Sec. 1, eff. June 19, 2009.

Sec. 8352.052. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 429 (H.B. 2102), Sec. 1, eff. June 19, 2009.

Sec. 8352.053. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 429 (H.B. 2102), Sec. 1, eff. June 19, 2009.

Sec. 8352.054. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR
RESOLUTION. The district shall comply with all applicable requirements of an ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 429 (H.B. 2102), Sec. 1, eff. June 19, 2009.

Sec. 8352.055. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8352.052; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 429 (H.B. 2102), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8352.101. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8352.151.

Added by Acts 2009, 81st Leg., R.S., Ch. 429 (H.B. 2102), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS

Sec. 8352.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 429 (H.B. 2102), Sec. 1, eff. June 19, 2009.
Sec. 8352.152. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 429 (H.B. 2102), Sec. 1, eff. June 19, 2009.

Sec. 8352.153. BONDS FOR ROAD PROJECTS. (a) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(b) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 429 (H.B. 2102), Sec. 1, eff. June 19, 2009.

For contingent expiration of this chapter, see Section 8353.003.

CHAPTER 8353. CLEARWATER RANCH MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8353.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Clearwater Ranch Municipal Utility District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

Sec. 8353.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.
Sec. 8353.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.  
(b) If the creation of the district is not confirmed at a confirmation election held under this section before December 31, 2013:  
(1) the district is dissolved December 31, 2013, except that:  
(A) any debts incurred shall be paid;  
(B) any assets that remain after the payment of debts shall be transferred to Burnet County; and  
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and  
(2) this chapter expires September 1, 2016.

Sec. 8353.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8353.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8353.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.  
(b) The district is created to accomplish the purposes of:  
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

Sec. 8353.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8353.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8353.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

Sec. 8353.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on
Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8353.003; or
   (2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8353.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earliest of:
   (1) the date permanent directors are elected under Section 8353.003;
   (2) the date the requirements of Section 8353.003(b)(1) are fulfilled; or
   (3) September 1, 2016.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8353.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

Sec. 8353.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

Sec. 8353.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

Sec. 8353.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

Sec. 8353.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under
Section 54.016 or 54.0165, Water Code, and that consents to the
creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1,

Sec. 8353.106. LIMITATION ON USE OF EMINENT DOMAIN. The
district may not exercise the power of eminent domain outside the
district to acquire a site or easement for:
(1) a road project authorized by Section 8353.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1,

Sec. 8353.107. DIVISION OF DISTRICT. (a) The district may be
divided into two or more new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) This chapter applies to any new district created by the
division of the district, and a new district has all the powers and
duties of the district.
(c) Any new district created by the division of the district
may not, at the time the new district is created, contain any land
outside the area described by Section 2 of the Act creating this
chapter.
(d) The board, on its own motion or on receipt of a petition
signed by the owner or owners of a majority of the assessed value of
the real property in the district, may adopt an order dividing the
district.
(e) The board may adopt an order dividing the district only
after the date on which the creation of the district is confirmed at
an election under Section 8353.003.
(f) An order dividing the district shall:
(1) name each new district;
(2) include the metes and bounds description of the
territory of each new district;
(3) appoint temporary directors for each new district or
provide that the owner or owners of a majority of the assessed value of the real property in each new district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition; and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8353.003(a). A new district that is not confirmed is subject to dissolution under general law.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8353.004 acts as municipal consent to the creation of any new district created by division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8353.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8353.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

Sec. 8353.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8353.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

Sec. 8353.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8353.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 8353.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

Sec. 8353.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1062 (H.B. 4710), Sec. 1, eff. June 19, 2009.

CHAPTER 8354. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 524

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8354.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 524.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.
Sec. 8354.002.  NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.004.  CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8354.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.005.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. 
   (b) The district is created to accomplish the purposes of:
       (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
       (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of
macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8354.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8354.052, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.
Sec. 8354.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8354.003; or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8354.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8354.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8354.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Sec. 8354.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8354.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Sec. 8354.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8354.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will
operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8354.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8354.151. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.153. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.154. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8354.003 to confirm the district's creation.

(c) An order dividing the district:
   (1) must:
       (A) name each new district;
       (B) include the metes and bounds description of the
territory of each new district;

(C) appoint temporary directors for each new district, or provide that temporary directors are appointed in the manner provided by Section 8354.052(a); and

(D) provide for the division of assets and liabilities between the new districts; and

(2) is subject to a confirmation election in each new district.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8354.003.

(b) The results of that election must be filed as required by Sections 49.102(e) and (f), Water Code.

(c) If the voters of a new district do not confirm the creation of the new district, the assets, liabilities, territory, and governance of the new districts revert to the original district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.156. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8354.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff.
Sec. 8354.157. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

Sec. 8354.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

1. revenue other than ad valorem taxes; or
2. contract payments described by Section 8354.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8354.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8354.201, the district may impose an operation and maintenance tax on taxable property in...
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8354.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.
Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

CHAPTER 8355. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 128
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8355.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Montgomery County Municipal Utility District No. 128.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.
Sec. 8355.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8355.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2(a) of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2(a) of the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8355.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8355.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) H. Daniel Wright;
(2) Justin Hood;
(3) Sherry Barker;
(4) Noe Carrasco; and
(5) Rusty Wilson.

(b) If a temporary director fails to qualify for office, the temporary directors who have qualified shall appoint a person to fill the vacancy.

(c) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8355.003; or
(2) September 1, 2013.

(d) If permanent directors have not been elected under Section 8355.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (e) to serve terms that expire on the earlier
of:

(1) the date permanent directors are elected under Section 8355.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(e) If Subsection (d) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8355.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements,
including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.105. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created:

(1) contain any land outside the area described by Section 2(a) of the Act creating this chapter; or

(2) contain less than 200 or more than 600 acres of land without the prior consent of any municipality in whose extraterritorial jurisdiction the district is located.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.
(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8355.003 to confirm the district's creation.

(f) An order dividing the district shall:

1. name each new district;
2. include the metes and bounds description of the territory of each new district;
3. appoint temporary directors for each new district; and
4. provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8355.003. A new district that is not confirmed is subject to dissolution under general law.

(i) Except as provided by Subsection (c), municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8355.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.
Sec. 8355.107. EFFECT OF ANNEXATION. (a) A municipality within whose extraterritorial jurisdiction the land in the district lies may annex all of the district into its corporate limits under the terms of an agreement entered into before the effective date of the Act creating this chapter between the municipality and the owners of the land being annexed, and, in that instance, the district may not be dissolved, except as provided by Subsection (b).

(b) The district may be dissolved and its debts and obligations assumed by the municipality in accordance with Chapter 43, Local Government Code, including Sections 43.075 and 43.0715, on:

(1) annexation of all of the territory of the district by the municipality; and

(2) completion of the construction of the water, sanitary sewer, and drainage improvements and roads required to serve at least 95 percent of the land in the district.

(c) Notwithstanding Section 54.016(f)(2), Water Code, a contract between the municipality and the district that provides for the allocation of the taxes or revenues between the district and the municipality following the date of inclusion of all the district's territory in the corporate limits of the municipality may provide that the total annual ad valorem taxes collected by the municipality and the district from taxable property in the district may exceed the municipality's ad valorem tax on the property.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.108. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8355.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8355.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8355.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8355.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8355.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, including revenue received by the district under Chapter 311, Tax Code, and Chapter 380, Local Government Code, assessments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8355.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

CHAPTER 8356. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 129

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8356.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Montgomery County Municipal Utility District No. 129.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8356.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.006. INITIAL DISTRICT TERRITORY.  (a) The district is initially composed of the territory described by Section 2(b) of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2(b) of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8356.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8356.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Wade Bradow;

(2) Joel Littlefield;
(3) Bryan Neal;
(4) James Coody; and
(5) Simon Sequeira.

(b) If a temporary director fails to qualify for office, the temporary directors who have qualified shall appoint a person to fill the vacancy.

(c) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8356.003; or
(2) September 1, 2013.

(d) If permanent directors have not been elected under Section 8356.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (e) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8356.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(e) If Subsection (d) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8356.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.105. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created:
   (1) contain any land outside the area described by Section 2(b) of the Act creating this chapter; or
   (2) contain less than 200 or more than 600 acres of land without the prior consent of any municipality in whose extraterritorial jurisdiction the district is located.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8356.003 to confirm the district's creation.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8356.003. A new district that is not confirmed is subject to dissolution under general law.

(i) Except as provided by Subsection (c), municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8356.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter
approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

Sec. 8356.107. EFFECT OF ANNEXATION. (a) A municipality within whose extraterritorial jurisdiction the land in the district lies may annex all of the district into its corporate limits under the terms of an agreement entered into before the effective date of the Act creating this chapter between the municipality and the owners of the land being annexed, and, in that instance, the district may not be dissolved, except as provided by Subsection (b).

(b) The district may be dissolved and its debts and obligations assumed by the municipality in accordance with Chapter 43, Local Government Code, including Sections 43.075 and 43.0715, on:

(1) annexation of all of the territory of the district by the municipality; and

(2) completion of the construction of the water, sanitary sewer, and drainage improvements and roads required to serve at least 95 percent of the land in the district.

(c) Notwithstanding Section 54.016(f)(2), Water Code, a contract between the municipality and the district that provides for the allocation of the taxes or revenues between the district and the municipality following the date of inclusion of all the district's territory in the corporate limits of the municipality may provide that the total annual ad valorem taxes collected by the municipality and the district from taxable property in the district may exceed the municipality's ad valorem tax on the property.
Sec. 8356.108. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8356.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Sec. 8356.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8356.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8356.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8356.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 8356.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 8356.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, including revenue received by the district under Chapter 311, Tax Code, and Chapter 380, Local Government Code, assessments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8356.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.
Sec. 8356.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 867 (S.B. 2504), Sec. 1, eff. September 1, 2009.

CHAPTER 8357.  BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 65
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8357.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Brazoria County Municipal Utility District No. 65.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 8357.003 until each
municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8357.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8357.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8357.003; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8357.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8357.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. 6/19/2009.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8357.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8357.103 unless:

(1) each municipality or county that will operate and
maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8357.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8357.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8357.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8357.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8357.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

Sec. 8357.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 581 (S.B. 2460), Sec. 1, eff. June 19, 2009.

CHAPTER 8358. GUADALUPE COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8358.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Guadalupe County Municipal Utility District No. 3.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.
Sec. 8358.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

Sec. 8358.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

Sec. 8358.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8358.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district subsequent to the effective date of the Act creating this chapter; and

(2) approved and entered into a development agreement with the owners of land within the district under Section 212.172, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

Sec. 8358.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 8358.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Sec. 8358.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8358.052, directors serve staggered four-year terms.

Sec. 8358.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8358.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8358.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8358.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8358.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

Sec. 8358.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1,
Sec. 8358.103.  AUTHORITY FOR ROAD PROJECTS.  Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

Sec. 8358.104.  APPROVAL OF ROAD PROJECT.  (a)  The district may not undertake a road project authorized by Section 8358.103 unless:

(1)  each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project; or

(2)  the Texas Transportation Commission approves the plans and specifications of the road project, if the state will operate and maintain the road.

(b)  Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

Sec. 8358.105.  COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.  (a)  The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b)  For purposes of Section 54.016, Water Code, the district is a city service district for the limited purpose of establishing consent conditions.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1,
Sec. 8358.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8358.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8358.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8358.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

Sec. 8358.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8358.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1,
Sec. 8358.153.  CONTRACT TAXES.  (a)  In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

Sec. 8358.154.  ALLOCATION OF TAXES.  Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 8358.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

Sec. 8358.202.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 8358.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1411 (H.B. 4754), Sec. 1, eff. June 19, 2009.

CHAPTER 8359. LAKE TEXOMA MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8359.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Lake Texoma Municipal Utility District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
(a) The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

(b) The temporary directors of any new district created under Section 8359.108 may not hold an election under Subsection (a) until the earlier of:
(1) the date the land in the new district has been annexed by the City of Denison; or
(2) not later than the 180th day after the date the City of Denison receives a written petition from a landowner requesting annexation that the city does not grant.

(c) The petition described by Subsection (b) must:
(1) request annexation of land that is contiguous with a boundary of the City of Denison;
(2) include all the land in the new district;
(3) include land covered by the development agreement executed under Section 8359.004;
(4) include the landowner's consent to abide by the comprehensive land use plan and development regulations as defined in the development agreement; and
(5) if the development agreement for the land included in the new district expires before a new district is created under Section 8359.108, include the landowner's consent to reinstate the comprehensive land use plan and development regulations defined in the expired development agreement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.004. DEVELOPMENT AGREEMENT REQUIRED. The temporary directors may not hold an election under Section 8359.003 until the City of Denison and the owners of the land to be covered by a development agreement that covers all or part of the land in the district enter into the development agreement under Chapter 212, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and under this chapter.
(c) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax or assessment; or
   (4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE. (a) All or any part of the district is eligible to be included in a tax increment reinvestment zone created under Chapter 311, Tax Code.

(b) If the City of Denison creates a tax increment reinvestment zone described by Subsection (a) that includes all or part of the territory of the district, the City of Denison and the board of directors of the zone, by contract with the district, may grant money to the district to be used for a permissible purpose of a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for a bond issued by the district.
Sec. 8359.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8359.052, directors serve staggered four-year terms.

Sec. 8359.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
1. Ben Munson;
2. Gifford Jackson;
3. Robert Vaughn;
4. Denice Lucas; and
5. Patrick O'Toole.
(b) Temporary directors serve until the earlier of:
1. the date permanent directors are elected under Section 8359.003; or
2. September 1, 2013.
(c) If permanent directors have not been elected under Section 8359.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
1. the date permanent directors are elected under Section 8359.003; or
2. the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named...
in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8359.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of an ordinance or resolution adopted by the City of Denison in accordance with Section 54.016 or 54.0165, Water Code, that consents to the creation of the district or to the inclusion of land in the district. The ordinance or resolution of the City of Denison consenting to the creation of the district may limit the amount of the district's bonds and tax rate.

(b) The ordinance or resolution of the City of Denison consenting to the inclusion of additional land in the district may be conditioned on the additional land being covered by the development agreement executed under Section 8359.004.

(c) The consent ordinance or resolution of the City of Denison may not impose a restriction or condition not expressly provided under Section 54.016(f), Water Code, on a new district created under Section 8359.108 or on the inclusion of land in the new district. A restriction or condition on the creation of a new district under Section 8359.108 or the inclusion of land in a new district may not:

(1) limit the amount of the new district's bonds or tax rate; or

(2) restrict the purposes authorized by this chapter for which the new district may issue bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.106. ANNEXATION. (a) Before the district holds an
election under Section 8359.003, the district may annex:

(1) without the consent of the City of Denison, land previously owned by the United States Army Corps of Engineers; or
(2) in accordance with Section 54.016, Water Code, land located in the extraterritorial jurisdiction or corporate limits of the City of Denison if the City of Denison has consented by ordinance or resolution to the annexation.

(b) The district may not annex land located outside the corporate limits and extraterritorial jurisdiction of the City of Denison.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.107. EFFECT OF ANNEXATION BY CITY OF DENISON. (a) The City of Denison may annex part of the district into its corporate limits without annexing the entire district under the terms of a development agreement executed under Section 8359.004 between the City of Denison and the owners of the land in the district that is covered by the development agreement. If a development agreement is not executed under Section 8359.004 or the agreement has expired, nothing in this chapter limits the right of the City of Denison to annex the district.

(b) If the City of Denison annexes all or part of the district into its corporate limits:
(1) the district is not dissolved;
(2) the ability of the district to issue bonds is not impaired or precluded; and
(3) unless otherwise approved by the board and the governing body of the City of Denison, the city:
(A) may not take over the property or other assets of the district;
(B) may not assume any debts, liabilities, or other obligations of the district;
(C) is not obligated to perform any functions of the district; and
(D) is not obligated to pay a landowner or developer for expenses incurred by the landowner or developer in connection with the district that would otherwise be eligible for reimbursement.
from the proceeds of bonds issued by the district.

(c) Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the City of Denison and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on that property.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.108. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may, at the time the new district is created, contain only:

(1) land within the area described by Section 2 of the Act creating this chapter;
(2) any land previously owned by the United States Army Corps of Engineers; and
(3) any land adjacent to the area described by Section 2 of the Act creating this chapter if that adjacent land is within the extraterritorial jurisdiction of the City of Denison and if that adjacent land has been approved for inclusion in the district under the consent ordinance or resolution adopted by the City of Denison under Section 8359.105.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district only after the date the board holds an election under Section 8359.003 to confirm the district's creation.
(f) An order dividing the district must:
   (1) name each new district;
   (2) include the metes and bounds description of the
territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities
between or among the new districts.

(g) On or before the 30th day after the date of adoption of an
order dividing the district, the district shall file the order with
the Texas Commission on Environmental Quality and record the order in
the real property records of each county in which the district is
located.

(h) Any new district created by the division of the district
shall hold a confirmation and directors' election as required by
Section 8359.003.

(i) Municipal consent by the City of Denison is not required
for the creation of any new district created under this section.

(j) Any new district created by the division of the district
must hold an election as required by this chapter to obtain voter
approval before the district may impose a maintenance tax or issue
bonds payable wholly or partly from ad valorem taxes.

(k) If the voters of a new district do not confirm the creation
of the new district, the assets, obligations, territory, and
governance of the new district revert to that of the original
district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1,
eff. September 1, 2009.

Sec. 8359.109. DISSOLUTION OF DISTRICT. The district may be
dissolved by ordinance or resolution of the governing body of the
City of Denison after the date on which at least 95 percent of the
infrastructure authorized by this chapter and the Water Code to serve
full development in the district has been completed. On dissolution,
the City of Denison shall:
   (1) take over the property and other assets of the
district;
   (2) assume all debts, liabilities, or other obligations of
the district;
(3) perform the functions of the district; and
(4) pay any landowner or developer for costs and expenses incurred by the landowner or developer in connection with the district that would otherwise be eligible for reimbursement from the proceeds of bonds issued by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.110. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:
(1) a road project authorized by Section 8359.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8359.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8359.153.
(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 8359.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8359.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, revenue from a tax increment reinvestment zone created under Chapter 311, Tax Code, revenue from economic development agreements under Chapter 380, Local Government Code, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct
ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

Sec. 8359.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1071 (H.B. 4737), Sec. 1, eff. September 1, 2009.

CHAPTER 8360. HUDSON RANCH WATER DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8360.001. NAME CHANGE. The name of Hudson Ranch Fresh Water Supply District No. 1 is changed to Hudson Ranch Water District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 854 (H.B. 3813), Sec. 1, eff. June 17, 2011.

Sec. 8360.002. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Hudson Ranch Water District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 854 (H.B. 3813), Sec. 1, eff. June 17, 2011.

Sec. 8360.003. NATURE OF DISTRICT. The district is a fresh water supply district and municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 8360.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) All land and other property in the district will benefit from the improvements and services to be provided by the district.
(b) The district serves a public use and benefit.

Sec. 8360.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form closures. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

SUBCHAPTER B. POWERS AND DUTIES
Sec. 8360.101. MUNICIPAL UTILITY DISTRICT AND FRESH WATER SUPPLY DISTRICT POWERS AND DUTIES. (a) Except as provided by Subsection (b), the district has the powers and duties provided by the general law of this state, including Chapters 49, 53, and 54, Water Code, applicable to fresh water supply districts and municipal utility districts created under Section 59, Article XVI, Texas Constitution.
(b) If a provision of Chapter 49 or 53, Water Code, is in conflict or inconsistent with this chapter or Chapter 54, Water Code,
this chapter and Chapter 54, Water Code, prevail.

Added by Acts 2011, 82nd Leg., R.S., Ch. 854 (H.B. 3813), Sec. 1, eff. June 17, 2011.

CHAPTER 8361.  CHAMBERS COUNTY IMPROVEMENT DISTRICT NO. 3

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8361.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Chambers County Improvement District No. 3.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

Sec. 8361.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

Sec. 8361.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

Sec. 8361.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 8361.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 8361.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8361.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8361.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8361.052, directors serve staggered four-year terms.
Sec. 8361.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8361.003; or
   (2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8361.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8361.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.
powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

Sec. 8361.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

Sec. 8361.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

Sec. 8361.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 8361.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 8361.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8361.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Sec. 8361.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before
or after the date the board holds an election under Section 8361.003 to confirm the district's creation.

(f) An order dividing the district:
   (1) shall:
       (A) name each new district;
       (B) include the metes and bounds of each new district;
       (C) appoint temporary directors for each new district,
       or provide that the owner or owners of a majority of the assessed value of the real property in each new district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition; and
       (D) provide for the division of assets and liabilities between or among the new districts; and
   (2) is subject to a confirmation election in each new district.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8361.003. The results of that election must be filed as required by Sections 49.102(e) and (f), Water Code. If the voters of a new district do not confirm the creation of the new district, the assets, liabilities, territory, and governance of the new district revert to the original district.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8361.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.
Sec. 8361.108. FIREFIGHTING AND EMERGENCY MEDICAL SERVICES. Subchapter L, Chapter 49, Water Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

Sec. 8361.109. FEASIBILITY EVALUATION. For purposes of any applicable evaluation by the Texas Commission on Environmental Quality of the economic feasibility of the district or its projects and bonds, debt service tax rate, maintenance tax rate, or overlapping tax rate, the district shall be treated as a municipal utility district situated wholly within Harris County.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8361.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8361.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

Sec. 8361.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8361.151, the district
may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

Sec. 8361.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8361.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

Sec. 8361.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 8361.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 874 (S.B. 2512), Sec. 1, eff. June 19, 2009.

Chapter 8362. Somerset Municipal Utility District No. 3

Subchapter A. General Provisions

Sec. 8362.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Somerset Municipal Utility District No. 3.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.
Sec. 8362.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8362.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.
Sec. 8362.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8362.052, directors serve staggered four-year terms.

Sec. 8362.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2009, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8362.003; or
(2) September 1, 2013.
(c) If permanent directors have not been elected under Section 8362.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8362.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named
in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8362.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8362.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.
(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8362.003 to confirm the district's creation.

(f) An order dividing the district must:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8362.003.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8362.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) If the voters of a new district do not confirm the creation of the new district, the assets, obligations, territory, and governance of the new district revert to that of the original district.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8362.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8362.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8362.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8362.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

Sec. 8362.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 877 (S.B. 2518), Sec. 1, eff. June 19, 2009.

CHAPTER 8363. BEARPEN CREEK MUNICIPAL UTILITY DISTRICT OF HUNT COUNTY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8363.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means a municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(3) "Commission" means the Texas Commission on Environmental Quality.

(4) "Director" means a board member.

(5) "District" means the Bearpen Creek Municipal Utility District of Hunt County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Sec. 8363.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Sec. 8363.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Sec. 8363.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8363.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.
Sec. 8363.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Sec. 8363.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8363.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8363.052, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff.
Sec. 8363.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Jessica Shae Ewy;
(2) Jason Michael Farmer;
(3) Charles Richard Johns;
(4) Warren Jacob Loftis; and
(5) Martin Jacob Newman.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8363.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8363.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8363.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8363.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff.
Sec. 8363.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Sec. 8363.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Sec. 8363.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.
Sec. 8363.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Sec. 8363.106. ACQUISITION OF PERMIT RIGHTS. (a) Using any available district money, including bond proceeds, the district may pay all expenses related to the acquisition of a certificate of public convenience and necessity from another retail public utility and any other permit rights necessary to provide the city authority to provide retail water or sewer service in the district. The acquisition, by purchase or otherwise, may be made by the district on behalf of and for transfer to the city or by the city directly.

(b) In relation to a retail public utility that provides water or sewer service to all or part of the area of the district under a certificate of public convenience and necessity, the district may exercise the powers given to a municipality provided by Section 13.255, Water Code, as if the district were a municipality that had annexed the area of the district. The Public Utility Commission of Texas shall grant single certification as to the city as provided by Section 13.255(c), Water Code, in the event that the district applies for the certification on the city's behalf in the manner provided by Section 13.255(b), Water Code.

(c) The city may contract with the district to carry out the purposes of this section without further authorization.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 170 (H.B. 1600), Sec. 2.91, eff. September 1, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 171 (S.B. 567), Sec. 91, eff. September 1, 2013.

Sec. 8363.107. LIMITATION ON USE OF EMINENT DOMAIN. The
district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8363.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8363.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8363.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Sec. 8363.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8363.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Sec. 8363.153. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8363.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Except as provided by Subsection (b), the district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds until the governing body of the city approves a bond issuance plan authorizing and setting forth the limitations on the issuance of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Sec. 8363.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff. June 17, 2011.

Sec. 8363.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 805 (H.B. 2363), Sec. 1, eff.
June 17, 2011.

SUBCHAPTER F. DISSOLUTION OF DISTRICT

Sec. 8363.251. DISSOLUTION BY CITY ORDINANCE. (a) The city
may dissolve the district by ordinance after provision is made for
all debts incurred by the district if one or more of the following
does not occur:

(1) on or before the 90th day after the effective date of
the Act enacting this chapter, the city receives one or more
petitions requesting annexation of all territory in the district
remaining in the extraterritorial jurisdiction of the city;

(2) on or before the last day of the ninth month after the
effective date of the Act enacting this chapter, the city adopts one
or more ordinances annexing all territory in the district remaining
in the city's extraterritorial jurisdiction;

(3) on or before the last day of the third year after the
effective date of the Act enacting this chapter, the Public Utility
Commission of Texas issues an order approving the sale and transfer
of a certificate of public convenience and necessity authorizing the
city to provide retail water service to territory in the district; or

(4) by the end of the fifth year after the effective date
of the Act enacting this chapter, the district has completed
construction of internal streets and water and sanitary sewer
facilities sufficient to serve at least 100 residential lots in the
district.

(b) If the city dissolves the district under Subsection (a):

(1) any district assets that remain after the payment of
debts shall be transferred to the city; and

(2) the organization of the district shall be maintained
until all the debts are paid or assumed and remaining assets are
transferred.

(c) This section does not limit the authority of the city to
dissolve the district under Chapter 43, Local Government Code, or
other general law.
CHAPTER 8364.  LONE STAR REGIONAL WATER AUTHORITY

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8364.001.  DEFINITIONS.  In this chapter:
(1)  "Authority" means the Lone Star Regional Water Authority.
(2)  "Board" means the authority's board of directors.
(3)  "Commission" means the Texas Commission on Environmental Quality.
(4)  "Director" means a board member.
(5)  "Member entity" means a municipality or other political subdivision that is a member under Section 8364.071.
Sec. 8364.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The authority is created to serve a public purpose and benefit.

(b) All land and other property included in the authority will benefit from the improvements and services to be provided by the authority under powers conferred by Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The authority is created to accomplish:

(1) the control, storage, conservation, preservation, distribution, and use of water for domestic, industrial, municipal, and all other useful purposes as provided by Section 59, Article XVI, Texas Constitution;

(2) the reclamation and drainage of the district's overflowed lands and other lands needing drainage;

(3) the control, abatement, and change of any shortage or harmful excess of water; and

(4) the protection, preservation, and restoration of the purity and sanitary condition of water within the state.

(d) The creation of the authority is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;

(2) eliminate unemployment and underemployment;

(3) develop or expand commerce; and

(4) conserve the natural resources of this state.

(e) The authority will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the authority, and of the public; and

(2) provide needed funding for the authority to preserve, maintain, and enhance the economic health and vitality of the authority territory as a community and business center.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff. June 17, 2011.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 12 (H.B. 701), Sec. 1, eff. May 10, 2013.
Sec. 8364.005. AUTHORITY TERRITORY. The authority is composed of the territory in the member entities.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff. June 17, 2011.

Sec. 8364.006. CHANGE IN MEMBERSHIP OR TERRITORY; NOTIFICATION TO COMMISSION. The authority shall notify the commission of any changes in its membership or territory.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8364.051. GOVERNING BODY; TERMS. (a) The authority is governed by a board of appointed directors.

(b) Directors serve staggered three-year terms, with terms expiring on September 1.

(c) Except as provided by Subsection (e), each member entity shall appoint two directors.

(d) A director serves at the pleasure of the governing body of the member entity that appointed the director. A member entity may remove the director and appoint a new director at any time by resolution or ordinance of the governing body of the member entity.

(e) If at any time the number of member entities is more than five, the board may adopt a resolution providing that each member entity shall appoint one director. A resolution adopted under this subsection must be approved by an affirmative vote of not less than 75 percent of the directors then serving, with at least one director from each member entity present and voting in favor of the resolution. If the board passes a resolution under this subsection, the terms of the directors then serving shall expire on the first day of September following the date the resolution is adopted, and not later than the first day of October following the date the resolution is adopted, each member entity shall appoint one director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff.
Sec. 8364.052. EX OFFICIO DIRECTORS. (a) At any time, the board may by resolution:

(1) appoint a nonvoting ex officio director to serve at the pleasure of the board; and

(2) remove an ex officio director.

(b) An ex officio director:

(1) is entitled to all notices and information given to and accessible to a director; and

(2) may attend and participate in any board meeting.

Added by Acts 2013, 83rd Leg., R.S., Ch. 12 (H.B. 701), Sec. 2, eff. May 10, 2013.

SUBCHAPTER B-1. AUTHORITY MEMBERSHIP

Sec. 8364.071. INITIAL MEMBER ENTITIES. The initial member entities are:

(1) Sonterra Municipal Utility District; and

(2) CLL Municipal Utility District No. 1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff. June 17, 2011.

Sec. 8364.072. PETITION TO JOIN AUTHORITY. (a) A municipality, county, or other political subdivision may petition the board to add that municipality, county, or other political subdivision as a member entity.

(b) Before a new member entity may be added to the authority, the petition must be approved by a joint resolution or ordinance of the governing body of each member entity.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff. June 17, 2011.

Amended by:
Sec. 8364.073. PETITION TO LEAVE AUTHORITY. (a) A member entity may petition the board to leave the authority.

(b) If the authority determines that allowing the member entity to leave the authority will not impair any outstanding bonds or other obligations of the authority on the date the board receives the petition, the board may approve the petition.

(c) If on the date the board receives the petition the authority has bonds or other obligations outstanding for which the member entity seeking to leave is wholly or partly responsible, the board may approve the petition only if:

1. the member entity agrees to pay its share of the bonds or other obligations; and
2. the authority determines that as a result of that payment the remaining bonds or other obligations of the authority will not be impaired.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8364.101. SERVICE TO MEMBER ENTITIES. The authority shall serve its member entities.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff. June 17, 2011.

Sec. 8364.102. GENERAL POWERS AND DUTIES. The authority has only the powers and duties necessary to accomplish the purposes stated under Section 8364.004 for which the authority is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff. June 17, 2011.

Sec. 8364.103. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES;
LIMITATIONS. (a) Except as provided by Subsection (b), the authority has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) The authority may not provide solid waste disposal or road facilities or services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff. June 17, 2011.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 12 (H.B. 701), Sec. 4, eff. May 10, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8364.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) For any authorized authority purpose, the authority may issue bonds or other obligations payable wholly or partly from revenue of the authority's water system, sanitary sewer system, or drainage system, including revenue from contracts with member entities or customers, or any combination of those sources of revenue.

(b) To provide revenue under Subsection (a), a member entity may make payments under a contract with the authority from any of the member entity's sources of revenue, including ad valorem taxes, impact fees, grants, sales and use taxes, and any other source.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff. June 17, 2011.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 12 (H.B. 701), Sec. 5, eff. May 10, 2013.

Sec. 8364.152. NO TAXING POWER. The authority may not impose a tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 525 (H.B. 2360), Sec. 1, eff. June 17, 2011.
Sec. 8364.153. FUNDING BY MEMBERS. Under a contract with the authority, a member entity may make payments from any of the member entity's sources of revenue, including ad valorem taxes, impact fees, grants, sales and use taxes, and any other source to provide money for the administrative and operating expenses of the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 12 (H.B. 701), Sec. 6, eff. May 10, 2013.

CHAPTER 8365. BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 63
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8365.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Brazoria County Municipal Utility District No. 63.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8365.003 until each
municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8365.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors. (b) Except as provided by Section 8365.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition. (b) Temporary directors serve until the earlier of: (1) the date permanent directors are elected under Section 8365.003; or (2) the fourth anniversary of the effective date of the Act creating this chapter. (c) If permanent directors have not been elected under Section 8365.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of: (1) the date permanent directors are elected under Section 8365.003; or (2) the fourth anniversary of the date of the appointment or reappointment. (d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff.
Sec. 8365.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8365.103 unless:

(1) each municipality or county that will operate and

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maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8365.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the
division of the district, and a new district has all the powers and
duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8365.003 to confirm the district's creation.

(f) An order dividing the district shall:
(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district, or provide that the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition;
(4) provide for the division of assets and liabilities between or among the new districts; and
(5) be subject to a confirmation election in each new district.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8365.003. The results of that election must be filed as required by Sections 49.102(e) and (f), Water Code. If the voters of a new district do not confirm the creation of the new district, the assets, liabilities, territory, and governance of the new district revert to the original district.

(i) Municipal consent to the creation of the district and to
the inclusion of land in the district granted under Section 8365.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8365.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8365.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8365.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.
Sec. 8365.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8365.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

Sec. 8365.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 880 (S.B. 2521), Sec. 1, eff. June 19, 2009.

CHAPTER 8366. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 118
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8366.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Montgomery County Municipal Utility District No. 118.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8366.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of
land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of: (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter. (b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's: (1) organization, existence, or validity; (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond; (3) right to impose a tax; or (4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8366.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8366.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8366.003; or
   (2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8366.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8366.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 8366.101.  GENERAL POWERS AND DUTIES.  The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.102.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.  The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.103.  AUTHORITY FOR ROAD PROJECTS.  (a)  Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b)  The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.104.  APPROVAL OF ROAD PROJECT.  (a)  The district may not undertake a road project authorized by Section 8366.103 unless:

(1)  each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or
(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8366.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8366.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8366.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8366.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8366.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of
those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

Sec. 8366.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 862 (S.B. 2485), Sec. 1, eff. June 19, 2009.

CHAPTER 8367. LIBERTY COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8367.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Liberty County Municipal Utility District No. 6.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

Sec. 8367.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas
Sec. 8367.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

Sec. 8367.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8367.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

Sec. 8367.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
   (b) The district is created to accomplish the purposes of:
      (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
      (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.
Sec. 8367.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8367.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8367.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

Sec. 8367.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Mark Froehlich;
(2) Cynthia Gage;
(3) Greg Parker;
(4) Jeremy Newsom; and
(5) Cindy Leslie.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8367.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section
8367.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8367.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8367.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

Sec. 8367.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

Sec. 8367.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design,
acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

Sec. 8367.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8367.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

Sec. 8367.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.
Sec. 8367.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8367.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

Sec. 8367.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8367.003 to confirm the district's creation.

(f) An order dividing the district:

(1) shall:

(A) name each new district;

(B) include the metes and bounds of each new district;

(C) appoint temporary directors for each new district, or provide that the owner or owners of a majority of the assessed value of the real property in each new district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition; and

(D) provide for the division of assets and liabilities
between or among the new districts; and
(2) is subject to a confirmation election in each new district.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8367.003. The results of that election must be filed as required by Sections 49.102(e) and (f), Water Code. If the voters of a new district do not confirm the creation of the new district, the assets, liabilities, territory, and governance of the new district revert to the original district.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8367.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8367.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8367.153.
(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes.
taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff.

Sec. 8367.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 8367.151, the district
may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff.

Sec. 8367.153. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an
operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8367.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract
payments, grants, or other district money, or any combination of
those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff.
Sec. 8367.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

Sec. 8367.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 882 (S.B. 2524), Sec. 1, eff. June 19, 2009.

CHAPTER 8368. PARKLANDS MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8368.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Parklands Municipal Utility District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

Sec. 8368.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff.
Sec. 8368.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

Sec. 8368.004. ELECTION DATES. Section 41.001(a), Election Code, does not apply to an election to:
(1) confirm the district's creation;
(2) elect initial permanent directors; or
(3) approve a maintenance tax, bond, or contract.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

Sec. 8368.005. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8368.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the territory described by Section 2 of the Act creating this chapter is located has consented by ordinance or resolution and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

Sec. 8368.006. TERRITORY ADDED. (a) The territory described by Section 2 of the Act creating this chapter is added to the district's territory as of the effective date of this section.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8368.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8368.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

Sec. 8368.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Benjamin B. Tolson;
(2) Jordan R. Smith;
(3) Shad Schmid;
(4) Ryan N. Stevens; and
(5) Janet Cobbel.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8368.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.
(c) If permanent directors have not been elected under Section 8368.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8368.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

Statute text rendered on: 6/18/2019
If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8368.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

Sec. 8368.102. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, including bridges, storm drainage, and other improvements or appurtenances in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

Sec. 8368.103. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or
extraterritorial jurisdiction of a municipality, the road project
must meet all applicable construction standards, subdivision
requirements, and regulations of each county in which the road
project is located.

(c) If a municipality or county will maintain and operate the
road, the municipality or county must approve the plans and
specifications of the road project.

(d) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications
of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff.

Sec. 8368.104. DIVISION OF DISTRICT. (a) The district may be
divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes or assessments.

(b) This chapter applies to any new district created by the
division of the district, and a new district has all the powers and
duties of the district, including the power to divide in accordance
with this section.

(c) Any new district created by the division of the district
may not, at the time the new district is created, contain any land
outside:

(1) the territory of the district at the time the district
was created; or
(2) the area described by Section 2 of the Act creating
this chapter.

(d) The board, on its own motion or on receipt of a petition
signed by the owner or owners of a majority of the assessed value of
the real property in the district according to the most recent
certified appraisal roll for each county in which the district is
located, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before
or after the date the board holds an election under Section 8368.003
to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8368.003.

(i) Any new district created by the division of the district must hold an election as required by Chapters 49 and 54, Water Code, and this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

Sec. 8368.105. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8368.102; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8368.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8368.201.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8368.201. BONDS FOR ROAD PROJECTS. (a) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(b) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 861 (S.B. 2478), Sec. 1, eff. June 19, 2009.

CHAPTER 8369. SAN GABRIEL MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8369.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the San Gabriel Municipal Utility District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.
Sec. 8369.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8369.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8369.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8369.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8369.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8369.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Mark Barker;
(2) Mike Mayben;
(3) Raudel Hinojosa;
(4) John Weddige; and
(5) Sammie Joseph III.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8369.003; or
(2) September 1, 2013.

(c) If permanent directors have not been elected under Section 8369.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8369.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission
shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8369.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road
project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.105. STREET REPAIR AND MAINTENANCE. (a) After September 1, 2019, the district, at the district's expense, shall repair and maintain any streets in the district.

(b) A district's repair and maintenance of streets under this section must meet all applicable construction standards and regulations of Williamson County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.106. REGIONAL WASTE DISPOSAL POWERS AND DUTIES. The district has the powers and duties applicable to a district under Chapter 30, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.107. WASTEWATER TREATMENT FACILITY DESIGN APPROVAL. The district must obtain the approval of the Brazos River Authority for the design of any district wastewater treatment facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.
Sec. 8369.108. WASTEWATER SERVICE PROVIDERS. Only the Brazos River Authority or a provider approved by the Brazos River Authority may provide wastewater service in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.109. COMPLIANCE WITH FEBRUARY 2005 AGREEMENT. The district shall comply with the terms of the "Agreement Regarding Sewer Services Areas and Customers" among the Lower Colorado River Authority, the Brazos River Authority, the City of Georgetown, the City of Liberty Hill, and the Chisholm Trail Special Utility District dated February 1, 2005.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.110. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.111. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8369.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8369.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8369.153.
(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8369.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.
(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.
SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 8369.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.202.  TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

Sec. 8369.203.  BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1094 (H.B. 4800), Sec. 1, eff. September 1, 2009.

CHAPTER 8370.  MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 112

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8370.001.  DEFINITION. In this chapter, "district" means the Montgomery County Municipal Utility District No. 112.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1294 (H.B. 2238), Sec. 1, eff. September 1, 2011.
SUBCHAPTER B. POWERS AND DUTIES
Sec. 8370.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1294 (H.B. 2238), Sec. 1, eff. September 1, 2011.

Sec. 8370.102. NO ALLOCATION AGREEMENT. Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1294 (H.B. 2238), Sec. 1, eff. September 1, 2011.

Text of chapter effective April 1, 2017
CHAPTER 8371. SAGEMEADOW UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8371.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Sagemeadow Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8371.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8371.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8371.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 679, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for the purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8371.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.
Sec. 8371.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8371.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Text of chapter effective April 1, 2017
CHAPTER 8372. SHASLA PUBLIC UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8372.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Shasla Public Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8372.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.
Sec. 8372.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8372.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 412, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8372.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.
Sec. 8372.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code. 

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8372.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

For contingent expiration of this chapter, see Section 8374.004.

CHAPTER 8374. PILOT KNOB MUNICIPAL UTILITY DISTRICT NO. 5

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8374.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Pilot Knob Municipal Utility District No. 5.
(5) "Municipality" means a municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

Sec. 8374.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

Sec. 8374.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect permanent directors as provided by Section 8374.051 of this code and Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

Sec. 8374.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 8374.003 until each municipality has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) If a municipality does not consent to the creation of the district or if the district does not enter into an agreement required by the terms of the municipal ordinance or resolution consenting to the creation of the district under this section before September 1, 2012:

(1) the district is dissolved September 1, 2012, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to the municipality or another local governmental entity to be used for a public purpose; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.
Sec. 8374.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

Sec. 8374.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8374.051. GOVERNING BODY; TERMS. (a) Except as provided by Subsection (b), the district is governed by a board of five elected directors.

(b) If required under the terms of the agreement, ordinance, or resolution by which a municipality consents to the creation of the district, the board consists of:

(1) four elected directors; and
(2) one director appointed by the governing body of the municipality.

(c) A director appointed under Subsection (b)(2) is not required to be a qualified voter of the district or to own land subject to taxation in the district.

(d) Except as provided by Section 8374.052, directors serve staggered four-year terms. A permanent director may not serve more than two four-year terms.

(e) The common law doctrine of incompatibility does not disqualify an official or employee of a municipality from being appointed a director by the governing body of a municipality under Subsection (b)(2), and a director appointed to the board may continue to serve in a public office of or be employed by the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

Sec. 8374.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8374.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8374.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8374.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8374.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

Sec. 8374.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

Sec. 8374.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff.
Sec. 8374.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8374.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

Sec. 8374.105. COMPLIANCE WITH AND ENFORCEABILITY OF MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Any agreement between the district and a municipality related to the municipality's consent to the creation of the district is valid and enforceable.

(c) On the issuance of bonds by the district, the district is considered to have waived sovereign immunity to suit by a municipality for the purpose of adjudicating a claim for breach of an agreement described by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

Sec. 8374.106. CONTRACT TO FURTHER REGIONAL COOPERATION. The district and a municipality may contract on terms that the board and
governing body of the municipality agree will further regional cooperation between the district and the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

Sec. 8374.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8374.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8374.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

Sec. 8374.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8374.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) If required by an agreement between the district and a municipality under Section 8374.105, the total ad valorem tax rate of
the district may not be less than the total ad valorem tax rate of
the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff.
June 17, 2011.

Sec. 8374.153. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an
operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff.
June 17, 2011.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8374.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract
payments, grants, or other district money, or any combination of
those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff.
June 17, 2011.

Sec. 8374.202. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct
ad valorem tax, without limit as to rate or amount, while all or part
of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff.
June 17, 2011.
Sec. 8374.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL ANNEXATION AND NOTICE

Sec. 8374.251. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for a term of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 347, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8374.252. MUNICIPAL ANNEXATION; NOTICE. (a) Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8374.004.

(b) Not later than the 30th day after the date a municipality adopts a resolution or ordinance consenting to the creation of the district, the municipality shall file, in the real property records of the county in which the land to be included in the district is
located, a notice to a purchaser of real property in the district that describes:

(1) the municipality's authority and intention to annex the district; and

(2) the anticipated date of the annexation.

(c) After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must include the information contained in the municipality's notice in the Notice to Purchasers required by Section 49.452, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 989 (H.B. 1760), Sec. 1, eff. June 17, 2011.

For contingent expiration of this chapter, see Section 8375.004.

CHAPTER 8375. PILOT KNOB MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8375.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Pilot Knob Municipal Utility District No. 1.

(5) "Municipality" means a municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the
creation of the district and to elect permanent directors as provided by Section 8375.051 of this code and Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 8375.003 until each municipality has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) If a municipality does not consent to the creation of the district or if the district does not enter into an agreement required by the terms of the municipal ordinance or resolution consenting to the creation of the district under this section before September 1, 2012:

(1) the district is dissolved September 1, 2012, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to the municipality or another local governmental entity to be used for a public purpose; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2012.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of
those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8375.051. GOVERNING BODY; TERMS. (a) Except as provided by Subsection (b), the district is governed by a board of five elected directors.

(b) If required under the terms of the agreement, ordinance, or resolution by which a municipality consents to the creation of the district, the board consists of:

(1) four elected directors; and
(2) one director appointed by the governing body of the municipality.

(c) A director appointed under Subsection (b)(2) is not required to be a qualified voter of the district or to own land subject to taxation in the district.

(d) Except as provided by Section 8375.052, directors serve staggered four-year terms. A permanent director may not serve more than two four-year terms.

(e) The common law doctrine of incompatibility does not
disqualify an official or employee of a municipality from being
appointed a director by the governing body of a municipality under
Subsection (b)(2), and a director appointed to the board may continue
to serve in a public office of or be employed by the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff.
June 17, 2011.

Sec. 8375.052. TEMPORARY DIRECTORS. (a) On or after the
effective date of the Act enacting this chapter, the owner or owners
of a majority of the assessed value of the real property in the
district may submit a petition to the commission requesting that the
commission appoint as temporary directors the five persons named in
the petition. The commission shall appoint as temporary directors
the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section
8375.003; or
(2) the fourth anniversary of the effective date of the Act
enacting this chapter.

(c) If permanent directors have not been elected under Section
8375.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier
of:
(1) the date permanent directors are elected under Section
8375.003; or
(2) the fourth anniversary of the date of the appointment
or reappointment.

(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons
named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff.
June 17, 2011.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8375.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8375.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the
plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.105. COMPLIANCE WITH AND ENFORCEABILITY OF MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Any agreement between the district and a municipality related to the municipality's consent to the creation of the district is valid and enforceable.

(c) On the issuance of bonds by the district, the district is considered to have waived sovereign immunity to suit by a municipality for the purpose of adjudicating a claim for breach of an agreement described by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.106. CONTRACT TO FURTHER REGIONAL COOPERATION. The district and a municipality may contract on terms that the board and governing body of the municipality agree will further regional cooperation between the district and the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.
Sec. 8375.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8375.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8375.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8375.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) If required by an agreement between the district and a municipality under Section 8375.105, the total ad valorem tax rate of the district may not be less than the total ad valorem tax rate of the municipality.

Sec. 8375.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8375.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.
Sec. 8375.251. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for a term of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 986 (H.B. 1757), Sec. 1, eff. June 17, 2011.

Sec. 8375.252. MUNICIPAL ANNEXATION; NOTICE. (a) Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8375.004.

(b) Not later than the 30th day after the date a municipality adopts a resolution or ordinance consenting to the creation of the district, the municipality shall file, in the real property records of the county in which the land to be included in the district is located, a notice to a purchaser of real property in the district that describes:

(1) the municipality's authority and intention to annex the district; and

(2) the anticipated date of the annexation.

(c) After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must include the information contained in the municipality's notice in the Notice to Purchasers required by Section 49.452, Water Code.
CHAPTER 8376. PILOT KNOB MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8376.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Pilot Knob Municipal Utility District No. 2.
(5) "Municipality" means a municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8376.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8376.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect permanent directors as provided by Section 8376.051 of this code and Section 49.102, Water Code.

Sec. 8376.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 8376.003 until each municipality has consented by ordinance or resolution to
the creation of the district and to the inclusion of land in the district.

(b) If a municipality does not consent to the creation of the district or if the district does not enter into an agreement required by the terms of the municipal ordinance or resolution consenting to the creation of the district under this section before September 1, 2012:

(1) the district is dissolved September 1, 2012, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to the municipality or another local governmental entity to be used for a public purpose; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

Sec. 8376.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

Sec. 8376.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of
the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8376.051. GOVERNING BODY; TERMS. (a) Except as provided by Subsection (b), the district is governed by a board of five elected directors.

(b) If required under the terms of the agreement, ordinance, or resolution by which a municipality consents to the creation of the district, the board consists of:

(1) four elected directors; and
(2) one director appointed by the governing body of the municipality.

(c) A director appointed under Subsection (b)(2) is not required to be a qualified voter of the district or to own land subject to taxation in the district.

(d) Except as provided by Section 8376.052, directors serve staggered four-year terms. A permanent director may not serve more than two four-year terms.

(e) The common law doctrine of incompatibility does not disqualify an official or employee of a municipality from being appointed a director by the governing body of a municipality under Subsection (b)(2), and a director appointed to the board may continue to serve in a public office of or be employed by the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

Sec. 8376.052. TEMPORARY DIRECTORS. (a) On or after the
effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8376.003; or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8376.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8376.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8376.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

Sec. 8376.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

Sec. 8376.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

Sec. 8376.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8376.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.
Sec. 8376.105. COMPLIANCE WITH AND ENFORCEABILITY OF MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Any agreement between the district and a municipality related to the municipality's consent to the creation of the district is valid and enforceable.

(c) On the issuance of bonds by the district, the district is considered to have waived sovereign immunity to suit by a municipality for the purpose of adjudicating a claim for breach of an agreement described by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

Sec. 8376.106. CONTRACT TO FURTHER REGIONAL COOPERATION. The district and a municipality may contract on terms that the board and governing body of the municipality agree will further regional cooperation between the district and the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

Sec. 8376.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8376.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8376.153.

(b) The district must hold an election in the manner provided
by Chapters 49 and 54, Water Code, to obtain voter approval before
the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff.
June 17, 2011.

Sec. 8376.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 8376.151, the district
may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

(c) If required by an agreement between the district and a
municipality under Section 8376.105, the total ad valorem tax rate of
the district may not be less than the total ad valorem tax rate of
the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff.
June 17, 2011.

Sec. 8376.153. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an
operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff.
June 17, 2011.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8376.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

Sec. 8376.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

Sec. 8376.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL ANNEXATION AND NOTICE

Sec. 8376.251. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for a term
of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 347, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8376.252. MUNICIPAL ANNEXATION; NOTICE. (a) Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8376.004.

(b) Not later than the 30th day after the date a municipality adopts a resolution or ordinance consenting to the creation of the district, the municipality shall file, in the real property records of the county in which the land to be included in the district is located, a notice to a purchaser of real property in the district that describes:

(1) the municipality's authority and intention to annex the district; and

(2) the anticipated date of the annexation.

(c) After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must include the information contained in the municipality's notice in the Notice to Purchasers required by Section 49.452, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 985 (H.B. 1756), Sec. 1, eff. June 17, 2011.

For contingent expiration of this chapter, see Section 8377.004.

CHAPTER 8377. PILOT KNOB MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8377.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Pilot Knob Municipal Utility District No. 3.
(5) "Municipality" means a municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect permanent directors as provided by Section 8377.051 of this code and Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 8377.003 until each municipality has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) If a municipality does not consent to the creation of the district or if the district does not enter into an agreement required by the terms of the municipal ordinance or resolution consenting to the creation of the district under this section before September 1, 2012:

(1) the district is dissolved September 1, 2012, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts
shall be transferred to the municipality or another local
governmental entity to be used for a public purpose; and
(C) the organization of the district shall be
maintained until all debts are paid and remaining assets are
transferred; and
(2) this chapter expires September 1, 2012.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff.
Sec. 8377.051. GOVERNING BODY; TERMS. (a) Except as provided by Subsection (b), the district is governed by a board of five elected directors.

(b) If required under the terms of the agreement, ordinance, or resolution by which a municipality consents to the creation of the district, the board consists of:
   (1) four elected directors; and
   (2) one director appointed by the governing body of the municipality.

(c) A director appointed under Subsection (b)(2) is not required to be a qualified voter of the district or to own land subject to taxation in the district.

(d) Except as provided by Section 8377.052, directors serve staggered four-year terms. A permanent director may not serve more than two four-year terms.

(e) The common law doctrine of incompatibility does not disqualify an official or employee of a municipality from being appointed a director by the governing body of a municipality under Subsection (b)(2), and a director appointed to the board may continue to serve in a public office of or be employed by the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8377.003; or
   (2) the fourth anniversary of the effective date of the Act.
enacting this chapter.

(c) If permanent directors have not been elected under Section 8377.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8377.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8377.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section
Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8377.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.105. COMPLIANCE WITH AND ENFORCEABILITY OF MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Any agreement between the district and a municipality related to the municipality's consent to the creation of the district is valid and enforceable.
(c) On the issuance of bonds by the district, the district is considered to have waived sovereign immunity to suit by a municipality for the purpose of adjudicating a claim for breach of an agreement described by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.106. CONTRACT TO FURTHER REGIONAL COOPERATION. The district and a municipality may contract on terms that the board and governing body of the municipality agree will further regional cooperation between the district and the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8377.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

1. revenue other than ad valorem taxes; or
2. contract payments described by Section 8377.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff.
Sec. 8377.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8377.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) If required by an agreement between the district and a municipality under Section 8377.105, the total ad valorem tax rate of the district may not be less than the total ad valorem tax rate of the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8377.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.
Sec. 8377.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

Sec. 8377.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL ANNEXATION AND NOTICE

Sec. 8377.251. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for a term of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

The following section was amended by the 86th Legislature. Pending
publication of the current statutes, see H.B. 347, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8377.252. MUNICIPAL ANNEXATION; NOTICE. (a) Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8377.004.

(b) Not later than the 30th day after the date a municipality adopts a resolution or ordinance consenting to the creation of the district, the municipality shall file, in the real property records of the county in which the land to be included in the district is located, a notice to a purchaser of real property in the district that describes:

(1) the municipality's authority and intention to annex the district; and

(2) the anticipated date of the annexation.

(c) After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must include the information contained in the municipality's notice in the Notice to Purchasers required by Section 49.452, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 987 (H.B. 1758), Sec. 1, eff. June 17, 2011.

For contingent expiration of this chapter, see Section 8378.004.

CHAPTER 8378. PILOT KNOB MUNICIPAL UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8378.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Pilot Knob Municipal Utility District No. 4.

(5) "Municipality" means a municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.
Sec. 8378.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect permanent directors as provided by Section 8378.051 of this code and Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.004.  CONSENT OF MUNICIPALITY REQUIRED.  (a) The temporary directors may not hold an election under Section 8378.003 until each municipality has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) If a municipality does not consent to the creation of the district or if the district does not enter into an agreement required by the terms of the municipal ordinance or resolution consenting to the creation of the district under this section before September 1, 2012:

(1) the district is dissolved September 1, 2012, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to the municipality or another local governmental entity to be used for a public purpose; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.
Sec. 8378.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8378.051. GOVERNING BODY; TERMS. (a) Except as provided by Subsection (b), the district is governed by a board of five elected directors.

(b) If required under the terms of the agreement, ordinance, or resolution by which a municipality consents to the creation of the district, the board consists of:
   (1) four elected directors; and
(2) one director appointed by the governing body of the municipality.

(c) A director appointed under Subsection (b)(2) is not required to be a qualified voter of the district or to own land subject to taxation in the district.

(d) Except as provided by Section 8378.052, directors serve staggered four-year terms. A permanent director may not serve more than two four-year terms.

(e) The common law doctrine of incompatibility does not disqualify an official or employee of a municipality from being appointed a director by the governing body of a municipality under Subsection (b)(2), and a director appointed to the board may continue to serve in a public office of or be employed by the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8378.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8378.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8378.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8378.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff.
Sec. 8378.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8378.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.105. COMPLIANCE WITH AND ENFORCEABILITY OF MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Any agreement between the district and a municipality related to the municipality's consent to the creation of the district is valid and enforceable.

(c) On the issuance of bonds by the district, the district is considered to have waived sovereign immunity to suit by a municipality for the purpose of adjudicating a claim for breach of an agreement described by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.106. CONTRACT TO FURTHER REGIONAL COOPERATION. The district and a municipality may contract on terms that the board and
governing body of the municipality agree will further regional cooperation between the district and the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8378.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8378.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8378.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) If required by an agreement between the district and a municipality under Section 8378.105, the total ad valorem tax rate of
the district may not be less than the total ad valorem tax rate of the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8378.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

Sec. 8378.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.
Sec. 8378.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL ANNEXATION AND NOTICE

Sec. 8378.251. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for a term of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 347, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8378.252. MUNICIPAL ANNEXATION; NOTICE. (a) Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8378.004.

(b) Not later than the 30th day after the date a municipality adopts a resolution or ordinance consenting to the creation of the district, the municipality shall file, in the real property records of the county in which the land to be included in the district is
located, a notice to a purchaser of real property in the district that describes:

(1) the municipality's authority and intention to annex the district; and
(2) the anticipated date of the annexation.

(c) After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must include the information contained in the municipality's notice in the Notice to Purchasers required by Section 49.452, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 988 (H.B. 1759), Sec. 1, eff. September 1, 2011.

CHAPTER 8380. LAZY W DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8380.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Lazy W District No. 1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff.
Sec. 8380.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8380.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8380.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8380.052, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8380.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8380.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8380.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons
named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8380.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.
Sec. 8380.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8380.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.107. PARKS, RECREATIONAL FACILITIES, PRESERVATION OF FISH AND WILDLIFE. (a) The district may develop and manage parks, recreational facilities, and natural science laboratories and may promote the preservation of fish and other wildlife in the district.

(b) The district may negotiate contracts with any person,
including a county, municipality, municipal corporation, firm, corporation, nonprofit organization, or state or federal agency, to operate or maintain the park, recreational facility, or natural science laboratory.

(c) The preservation of fish and other wildlife shall be in accordance with the rules of the Parks and Wildlife Commission.

(d) The board may charge and collect reasonable entrance, gate, or use fees to manage and operate a park or recreational facility developed wholly or partly by the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.108. GENERAL POWERS REGARDING CONTRACTS. The district may:

(1) contract with any person to accomplish any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of a project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing project;

(2) apply for, and contract with any person to receive, administer, and perform a duty or obligation of the district under, a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing project; and

(3) accept a grant or donation from any person to accomplish a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.109. RULES; ENFORCEMENT. (a) The district may adopt and enforce rules:
(1) to administer and operate the district;
(2) to govern the use, availability, protection, security, and maintenance of the district's property and facilities; and
(3) to provide for public safety and security.

(b) The district may bring an action in court for an injunction or other appropriate remedy to enforce a rule of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8380.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8380.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8380.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.
Sec. 8380.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.154. ASSESSMENTS. (a) The board may undertake projects and services that confer a special benefit on all or a definable part of the district. The board may impose special assessments on property in that area, based on the benefit conferred by the project or service, to pay all or part of the cost of the project or service. The district may finance with special assessments any project or service authorized by this chapter or any other applicable law.

(b) Projects or services may be financed with special assessments under this chapter only after the board holds a public hearing on the advisability of the project or service and the proposed assessments.

(c) The board shall publish notice of the hearing in a newspaper or newspapers with general circulation in Henderson County. The publication must be made not later than the 30th day before the date of the hearing.

(d) Notice provided under this section must include:
(1) the time and place of the hearing;
(2) the general nature of the proposed project or service;
(3) the estimated cost of the project or service, including interest during construction and associated financing costs; and
(4) the proposed method of assessment.

(e) Written notice containing the information required by Subsection (d) shall be mailed by certified mail, return receipt requested, not later than the 30th day before the date of the hearing. The notice shall be mailed to each person residing in the
Sec. 8380.155. FEES AND CHARGES. The district may establish fees, user fees, rates, and charges that are sufficient:

(1) to accomplish the purposes of this chapter;
(2) for the operation and maintenance of the district;
(3) to pay the principal of and interest on notes, bonds, and other obligations issued in connection with the exercise of the district's general powers and duties; and
(4) to satisfy all rate covenants relating to the issuance of notes, bonds, and other obligations.

Sec. 8380.156. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of signatures and the procedure required for a disbursement or transfer of the district's money.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8380.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8380.202. TAXES FOR BONDS. At the time the district issues bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, the district may levy taxes, as authorized by Section 42.001, Government Code, on property in the area to be served by the district.
bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

Sec. 8380.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 866 (H.B. 3864), Sec. 1, eff. June 17, 2011.

CHAPTER 8381. NORTH PARK PUBLIC UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8381.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the North Park Public Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8381.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8381.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8381.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 696, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8381.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Sec. 8381.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8381.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

For contingent expiration of this chapter, see Section 8382.004.

CHAPTER 8382. SOUTHEAST TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8382.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Southeast Travis County Municipal Utility District No. 1.

(5) "Municipality" means a municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

Sec. 8382.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas
Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

Sec. 8382.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect permanent directors as provided by Section 8382.051 of this code and Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

Sec. 8382.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 8382.003 until each municipality has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) If a municipality does not consent to the creation of the district or if the district does not enter into an agreement required by the terms of the municipal ordinance or resolution consenting to the creation of the district under this section before September 1, 2012:

(1) the district is dissolved September 1, 2012, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to the municipality or another local governmental entity to be used for a public purpose; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

Sec. 8382.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

Sec. 8382.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8382.051. GOVERNING BODY; TERMS. (a) Except as provided by Subsection (b), the district is governed by a board of five elected directors.

(b) If required under the terms of the agreement, ordinance, or resolution by which a municipality consents to the creation of the district, the board consists of:

(1) four elected directors; and

(2) one director appointed by the governing body of the
municipality.

(c) A director appointed under Subsection (b)(2) is not required to be a qualified voter of the district or to own land subject to taxation in the district.

(d) Except as provided by Section 8382.052, directors serve staggered four-year terms. A permanent director may not serve more than two four-year terms.

(e) The common law doctrine of incompatibility does not disqualify an official or employee of a municipality from being appointed a director by the governing body of a municipality under Subsection (b)(2), and a director appointed to the board may continue to serve in a public office of or be employed by the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

Sec. 8382.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8382.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8382.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8382.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons
named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1,
eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8382.101. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1,
eff. June 17, 2011.

Sec. 8382.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to
municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1,
eff. June 17, 2011.

Sec. 8382.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section
52, Article III, Texas Constitution, the district may design,
acquire, construct, finance, issue bonds for, improve, and convey to
this state, a county, or a municipality for operation and maintenance
macadamized, graveled, or paved roads described by Section 54.234,
Water Code, or improvements, including storm drainage, in aid of
those roads.

(b) The district may exercise the powers provided by this
section without submitting a petition to or obtaining approval from
the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1,
eff. June 17, 2011.
Sec. 8382.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8382.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

Sec. 8382.105. COMPLIANCE WITH AND ENFORCEABILITY OF MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Any agreement between the district and a municipality related to the municipality's consent to the creation of the district is valid and enforceable.

(c) On the issuance of bonds by the district, the district is considered to have waived sovereign immunity to suit by a municipality for the purpose of adjudicating a claim for breach of an agreement described by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

Sec. 8382.106. CONTRACT TO FURTHER REGIONAL COOPERATION. The district and a municipality may contract on terms that the board and governing body of the municipality agree will further regional
cooperation between the district and the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

Sec. 8382.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8382.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

1. revenue other than ad valorem taxes; or
2. contract payments described by Section 8382.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

Sec. 8382.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8382.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) If required by an agreement between the district and a municipality under Section 8382.105, the total ad valorem tax rate of the district may not be less than the total ad valorem tax rate of
Sec. 8382.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8382.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

Sec. 8382.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.
Sec. 8382.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL ANNEXATION AND NOTICE

Sec. 8382.251. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for a term of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 347, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8382.252. MUNICIPAL ANNEXATION; NOTICE. (a) Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8382.004.

(b) Not later than the 30th day after the date a municipality adopts a resolution or ordinance consenting to the creation of the district, the municipality shall file, in the real property records of the county in which the land to be included in the district is located, a notice to a purchaser of real property in the district that describes:
(1) the municipality's authority and intention to annex the district; and
(2) the anticipated date of the annexation.
(c) After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must include the information contained in the municipality's notice in the Notice to Purchasers required by Section 49.452, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1114 (S.B. 1913), Sec. 1, eff. June 17, 2011.

For contingent expiration of this chapter, see Section 8383.004.

CHAPTER 8383. SOUTHEAST TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8383.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Southeast Travis County Municipal Utility District No. 2.
(5) "Municipality" means a municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect permanent directors as provided
Sec. 8383.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 8383.003 until each municipality has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) If a municipality does not consent to the creation of the district or if the district does not enter into an agreement required by the terms of the municipal ordinance or resolution consenting to the creation of the district under this section before September 1, 2012:

(1) the district is dissolved September 1, 2012, except that:

   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to the municipality or another local governmental entity to be used for a public purpose; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.
Sec. 8383.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Sec. 8383.051. GOVERNING BODY; TERMS. (a) Except as provided by Subsection (b), the district is governed by a board of five elected directors.

(b) If required under the terms of the agreement, ordinance, or resolution by which a municipality consents to the creation of the district, the board consists of:

(1) four elected directors; and

(2) one director appointed by the governing body of the municipality.

(c) A director appointed under Subsection (b)(2) is not required to be a qualified voter of the district or to own land subject to taxation in the district.

(d) Except as provided by Section 8383.052, directors serve staggered four-year terms. A permanent director may not serve more than two four-year terms.

(e) The common law doctrine of incompatibility does not disqualify an official or employee of a municipality from being
appointed a director by the governing body of a municipality under Subsection (b)(2), and a director appointed to the board may continue to serve in a public office of or be employed by the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8383.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8383.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8383.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.
Sec. 8383.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8383.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will
operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.105. COMPLIANCE WITH AND ENFORCEABILITY OF MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Any agreement between the district and a municipality related to the municipality's consent to the creation of the district is valid and enforceable.

(c) On the issuance of bonds by the district, the district is considered to have waived sovereign immunity to suit by a municipality for the purpose of adjudicating a claim for breach of an agreement described by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.106. CONTRACT TO FURTHER REGIONAL COOPERATION. The district and a municipality may contract on terms that the board and governing body of the municipality agree will further regional cooperation between the district and the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff.
Sec. 8383.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8383.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8383.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) If required by an agreement between the district and a municipality under Section 8383.105, the total ad valorem tax rate of the district may not be less than the total ad valorem tax rate of the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8383.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

Sec. 8383.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.
SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL ANNEXATION AND NOTICE

Sec. 8383.251. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for a term of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 347, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8383.252. MUNICIPAL ANNEXATION; NOTICE. (a) Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8383.004.

(b) Not later than the 30th day after the date a municipality adopts a resolution or ordinance consenting to the creation of the district, the municipality shall file, in the real property records of the county in which the land to be included in the district is located, a notice to a purchaser of real property in the district that describes:

(1) the municipality's authority and intention to annex the district; and

(2) the anticipated date of the annexation.

(c) After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must include the information contained in the municipality's notice in the Notice to Purchasers required by Section 49.452, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 936 (S.B. 1914), Sec. 1, eff. June 17, 2011.
For contingent expiration of this chapter, see Section 8384.004.

CHAPTER 8384. SOUTHEAST TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8384.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Southeast Travis County Municipal Utility District No. 3.
(5) "Municipality" means a municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect permanent directors as provided by Section 8384.051 of this code and Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 8384.003 until each municipality has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the
district.

(b) If a municipality does not consent to the creation of the district or if the district does not enter into an agreement required by the terms of the municipal ordinance or resolution consenting to the creation of the district under this section before September 1, 2012:

(1) the district is dissolved September 1, 2012, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to the municipality or another local governmental entity to be used for a public purpose; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8384.051. GOVERNING BODY; TERMS. (a) Except as provided by Subsection (b), the district is governed by a board of five elected directors.

   (b) If required under the terms of the agreement, ordinance, or resolution by which a municipality consents to the creation of the district, the board consists of:
      (1) four elected directors; and
      (2) one director appointed by the governing body of the municipality.

   (c) A director appointed under Subsection (b)(2) is not required to be a qualified voter of the district or to own land subject to taxation in the district.

   (d) Except as provided by Section 8384.052, directors serve staggered four-year terms. A permanent director may not serve more than two four-year terms.

   (e) The common law doctrine of incompatibility does not disqualify an official or employee of a municipality from being appointed a director by the governing body of a municipality under Subsection (b)(2), and a director appointed to the board may continue to serve in a public office of or be employed by the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners
of a majority of the assessed value of the real property in the
district may submit a petition to the commission requesting that the
commission appoint as temporary directors the five persons named in
the petition. The commission shall appoint as temporary directors
the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section
8384.003; or
(2) the fourth anniversary of the effective date of the Act
enacting this chapter.

(c) If permanent directors have not been elected under Section
8384.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier
of:
(1) the date permanent directors are elected under Section
8384.003; or
(2) the fourth anniversary of the date of the appointment
or reappointment.

(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons
named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff.
June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8384.101. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff.
June 17, 2011.

Sec. 8384.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8384.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.
Sec. 8384.105. COMPLIANCE WITH AND ENFORCEABILITY OF MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Any agreement between the district and a municipality related to the municipality's consent to the creation of the district is valid and enforceable.

(c) On the issuance of bonds by the district, the district is considered to have waived sovereign immunity to suit by a municipality for the purpose of adjudicating a claim for breach of an agreement described by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.106. CONTRACT TO FURTHER REGIONAL COOPERATION. The district and a municipality may contract on terms that the board and governing body of the municipality agree will further regional cooperation between the district and the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8384.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8384.153.

(b) The district must hold an election in the manner provided
by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8384.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) If required by an agreement between the district and a municipality under Section 8384.105, the total ad valorem tax rate of the district may not be less than the total ad valorem tax rate of the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8384.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

Sec. 8384.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL ANNEXATION AND NOTICE

Sec. 8384.251. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for a term
of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 347, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8384.252. MUNICIPAL ANNEXATION; NOTICE. (a) Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8384.004.

(b) Not later than the 30th day after the date a municipality adopts a resolution or ordinance consenting to the creation of the district, the municipality shall file, in the real property records of the county in which the land to be included in the district is located, a notice to a purchaser of real property in the district that describes:

(1) the municipality's authority and intention to annex the district; and

(2) the anticipated date of the annexation.

(c) After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must include the information contained in the municipality's notice in the Notice to Purchasers required by Section 49.452, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 678 (S.B. 1915), Sec. 1, eff. June 17, 2011.

For contingent expiration of this chapter, see Section 8385.004.

CHAPTER 8385. SOUTHEAST TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8385.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on...
Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Southeast Travis County Municipal Utility District No. 4.

(5) "Municipality" means a municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Sec. 8385.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Sec. 8385.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect permanent directors as provided by Section 8385.051 of this code and Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Sec. 8385.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 8385.003 until each municipality has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) If a municipality does not consent to the creation of the district or if the district does not enter into an agreement required by the terms of the municipal ordinance or resolution consenting to the creation of the district under this section before September 1, 2012:

(1) the district is dissolved September 1, 2012, except that:

    (A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to the municipality or another local governmental entity to be used for a public purpose; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2012.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Sec. 8385.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Sec. 8385.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8385.051. GOVERNING BODY; TERMS. (a) Except as provided by Subsection (b), the district is governed by a board of five elected directors.

(b) If required under the terms of the agreement, ordinance, or resolution by which a municipality consents to the creation of the district, the board consists of:

(1) four elected directors; and

(2) one director appointed by the governing body of the municipality.

(c) A director appointed under Subsection (b)(2) is not required to be a qualified voter of the district or to own land subject to taxation in the district.

(d) Except as provided by Section 8385.052, directors serve staggered four-year terms. A permanent director may not serve more than two four-year terms.

(e) The common law doctrine of incompatibility does not disqualify an official or employee of a municipality from being appointed a director by the governing body of a municipality under Subsection (b)(2), and a director appointed to the board may continue to serve in a public office of or be employed by the municipality.

Sec. 8385.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8385.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8385.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8385.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8385.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Sec. 8385.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.
Sec. 8385.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Sec. 8385.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8385.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Sec. 8385.105. COMPLIANCE WITH AND ENFORCEABILITY OF MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Any agreement between the district and a municipality related to the municipality's consent to the creation of the district
is valid and enforceable.

(c) On the issuance of bonds by the district, the district is considered to have waived sovereign immunity to suit by a municipality for the purpose of adjudicating a claim for breach of an agreement described by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Sec. 8385.106. CONTRACT TO FURTHER REGIONAL COOPERATION. The district and a municipality may contract on terms that the board and governing body of the municipality agree will further regional cooperation between the district and the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Sec. 8385.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8385.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8385.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.
Sec. 8385.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8385.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) If required by an agreement between the district and a municipality under Section 8385.105, the total ad valorem tax rate of the district may not be less than the total ad valorem tax rate of the municipality.

Sec. 8385.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 8385.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 8385.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Sec. 8385.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL ANNEXATION AND NOTICE

Sec. 8385.251. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for a term of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 347, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8385.252. MUNICIPAL ANNEXATION; NOTICE. (a) Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8385.004.

(b) Not later than the 30th day after the date a municipality adopts a resolution or ordinance consenting to the creation of the district, the municipality shall file, in the real property records of the county in which the land to be included in the district is located, a notice to a purchaser of real property in the district that describes:

(1) the municipality's authority and intention to annex the district; and

(2) the anticipated date of the annexation.

(c) After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must include the information contained in the municipality's notice in the Notice to Purchasers required by Section 49.452, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1115 (S.B. 1916), Sec. 1, eff. June 17, 2011.

Text of chapter effective April 1, 2017

CHAPTER 8386. SPANISH COVE PUBLIC UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8386.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.

(3) "District" means the Spanish Cove Public Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8386.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under
Sec. 8386.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit. 
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution. 
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8386.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 409, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code; 
(2) Subchapter J, Chapter 49, Water Code; or 
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:
(1) the district's organization, existence, or validity; 
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond; 
(3) the district's right to impose a tax; or 
(4) the legality or operation of the district or its governing body.
Sec. 8386.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8386.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8386.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8387.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Northgate Crossing Municipal Utility District No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Sec. 8387.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8387.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district's boundaries will benefit from the works and projects accomplished by the district under the powers authorized by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8387.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4(a), Chapter 947, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created;
(3) the payment of the principal of and interest on bonds;
(4) the district's right to impose a tax; or
(5) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8387.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8387.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8387.101. MUNICIPAL UTILITY DISTRICT POWERS. The district may exercise the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8387.102. OPERATION AND MAINTENANCE OF DISTRICT FACILITIES. (a) The district shall operate and maintain any levee, retainage pond, pump, mitigation channel, or other facility, improvement, or property that serves property in the district unless the Harris County Flood Control District undertakes to operate or maintain the facility, improvement, or property.

(b) If, at the time the district is annexed by a municipality, the annexing municipality determines not to undertake to operate or maintain a levee, retainage pond, pump, mitigation channel, or other facility, improvement, or property that serves property in the
district, the municipality may specify in the annexation ordinance that the district shall continue to exist exclusively to:

(1) operate and maintain the levee, retainage pond, pump, mitigation channel, or other facility, improvement, or property; and

(2) impose a maintenance tax in the boundaries of the district, to the extent that a maintenance tax has previously been authorized.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

CHAPTER 8388. NORTHGATE CROSSING MUNICIPAL UTILITY DISTRICT NO. 2
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8388.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.

(3) "District" means the Northgate Crossing Municipal Utility District No. 2.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8388.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8388.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district's boundaries will benefit from the works and projects accomplished by the district under the powers authorized by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 8388.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4(a), Chapter 764, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created;
(3) the payment of the principal of and interest on bonds;
(4) the district's right to impose a tax; or
(5) the legality or operation of the district or its governing body.

Sec. 8388.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Sec. 8388.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill the vacancies on the board whenever the number of qualified directors is fewer than three.
Sec. 8388.101. MUNICIPAL UTILITY DISTRICT POWERS. The district may exercise the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Sec. 8388.102. OPERATION AND MAINTENANCE OF DISTRICT FACILITIES. (a) The district shall operate and maintain any levee, retainage pond, pump, mitigation channel, or other facility, improvement, or property that serves property in the district unless the Harris County Flood Control District undertakes to operate or maintain the facility, improvement, or property.

(b) If, at the time the district is annexed by a municipality, the annexing municipality determines not to undertake to operate or maintain a levee, retainage pond, pump, mitigation channel, or other facility, improvement, or property that serves property in the district, the municipality may specify in the annexation ordinance that the district shall continue to exist exclusively to:

(1) operate and maintain the levee, retainage pond, pump, mitigation channel, or other facility, improvement, or property; and

(2) impose a maintenance tax in the boundaries of the district, to the extent that a maintenance tax has previously been authorized.

Sec. 8389.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.
(3) "District" means the Northwest Forest Municipal Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8389.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Jefferson County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8389.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8389.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 687, Acts of the 65th Legislature, Regular Session, 1977, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of
and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8389.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8389.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8389.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

CHAPTER 8390. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 111

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8390.001. DEFINITION. In this chapter, "district" means
the Montgomery County Municipal Utility District No. 111.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 1, eff. June 19, 2015.

Sec. 8390.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 1, eff. June 19, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8390.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 1, eff. June 19, 2015.

Sec. 8390.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 1, eff. June 19, 2015.

Sec. 8390.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52,
Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 1, eff. June 19, 2015.

Sec. 8390.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 1, eff. June 19, 2015.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8390.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8390.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road
projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 1, eff. June 19, 2015.

Sec. 8390.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 986 (S.B. 2002), Sec. 1, eff. June 19, 2015.

CHAPTER 8391. OAKMONT PUBLIC UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8391.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Oakmont Public Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8391.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8391.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by
the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8391.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 625, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8391.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8391.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled
in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8391.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Text of chapter effective April 1, 2017

CHAPTER 8392. SPENCER ROAD PUBLIC UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8392.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Spencer Road Public Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8392.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8392.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8392.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 699, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8392.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.
Sec. 8392.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8392.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

CHAPTER 8393. PINE BOUGH PUBLIC UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8393.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.

(3) "District" means the Pine Bough Public Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8393.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Sec. 8393.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit. (b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution. (c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. 

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8393.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 247, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under: (1) Subchapter H, Chapter 54, Water Code; (2) Subchapter J, Chapter 49, Water Code; or (3) other law. 

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect: (1) the district's organization, existence, or validity; (2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond; (3) the district's right to impose a tax; or (4) the legality or operation of the district or its governing body. 

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8393.051. COMPOSITION OF BOARD. The board is composed of five elected directors. 

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Sec. 8393.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8393.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

CHAPTER 8394. PINE VILLAGE PUBLIC UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8394.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Pine Village Public Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8394.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Sec. 8394.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8394.004. DISTRICT TERRITORY.  (a) The district is composed of the territory described by Section 4, Chapter 650, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8394.051. COMPOSITION OF BOARD. The board is composed of five elected directors.
Sec. 8394.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Sec. 8394.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Sec. 8395.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a member of the board.
(4) "District" means the Travis County Municipal Utility District No. 3.

Sec. 8395.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Travis County created under...
Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8395.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8395.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1.03, Chapter 791, Acts of the 74th Legislature, Regular Session, 1995, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8395.005. PROHIBITION AGAINST IMPAIRMENT OF DISTRICT. A municipality in whose extraterritorial jurisdiction the district is located may not take any action, including passing an ordinance or
resolution, that:

(1) impairs the district's ability to exercise the district's powers under this chapter; or
(2) limits the district's ability to finance, construct, or operate the district's water, wastewater, or drainage systems.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8395.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8395.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER D. MUNICIPAL ANNEXATION

Sec. 8395.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a municipality that plans to annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

(1) Travis County Municipal Utility District No. 4;
(2) Travis County Municipal Utility District No. 5;
(3) Travis County Municipal Utility District No. 6;
(4) Travis County Municipal Utility District No. 7;
(5) Travis County Municipal Utility District No. 8;
(6) Travis County Municipal Utility District No. 9; and
(7) Travis County Water Control and Improvement District No. 19.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described by the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Amended by:
Acts 2017, 85th Leg., 1st C.S., Ch. 6 (S.B. 6), Sec. 44, eff. December 1, 2017.

Sec. 8395.152. DUTIES OF MUNICIPALITY AFTER ANNEXATION. If a municipality in whose extraterritorial jurisdiction the district is located annexes the district for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall:

(1) simultaneously with the annexation, pay in cash to the landowner or developer of the district a sum equal to all actual costs and expenses incurred by the landowner or developer in connection with the district that:

(A) the district has agreed in writing to pay; and
(B) would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the commission as those rules and requirements exist on the date of annexation; and

(2) after the annexation, install all necessary water, wastewater, and drainage facilities to serve full buildout of development within the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
CHAPTER 8396. TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8396.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a member of the board.
(4) "District" means the Travis County Municipal Utility District No. 4.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8396.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Travis County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8396.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8396.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2.03, Chapter 791, Acts of the 74th Legislature, Regular Session, 1995, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8396.005. PROHIBITION AGAINST IMPAIRMENT OF DISTRICT. A municipality in whose extraterritorial jurisdiction the district is located may not take any action, including passing an ordinance or resolution, that:
(1) impairs the district's ability to exercise the district's powers under this chapter; or
(2) limits the district's ability to finance, construct, or operate the district's water, wastewater, or drainage systems.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8396.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8396.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a municipal utility
district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

**SUBCHAPTER D. MUNICIPAL ANNEXATION**

Sec. 8396.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a municipality that plans to annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

1. Travis County Municipal Utility District No. 3;
2. Travis County Municipal Utility District No. 5;
3. Travis County Municipal Utility District No. 6;
4. Travis County Municipal Utility District No. 7;
5. Travis County Municipal Utility District No. 8;
6. Travis County Municipal Utility District No. 9; and
7. Travis County Water Control and Improvement District No. 19.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Amended by:

Acts 2017, 85th Leg., 1st C.S., Ch. 6 (S.B. 6), Sec. 45, eff. December 1, 2017.

Sec. 8396.152. DUTIES OF MUNICIPALITY AFTER ANNEXATION. If a municipality in whose extraterritorial jurisdiction the district is
located annexes the district for full or limited purposes and the
annexation precludes or impairs the ability of the district to issue
bonds, the municipality shall:

(1) simultaneously with the annexation, pay in cash to the
landowner or developer of the district a sum equal to all actual
costs and expenses incurred by the landowner or developer in
connection with the district that:

(A) the district has agreed in writing to pay; and

(B) would otherwise have been eligible for
reimbursement from bond proceeds under the rules and requirements of
the commission as those rules and requirements exist on the date of
annexation; and

(2) after the annexation, install all necessary water,
wastewater, and drainage facilities to serve full buildout of
development within the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03,
eff. April 1, 2015.

CHAPTER 8397. TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8397.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on
Environmental Quality.

(3) "Director" means a member of the board.

(4) "District" means the Travis County Municipal Utility
District No. 5.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03,
eff. April 1, 2015.

Sec. 8397.002. NATURE OF DISTRICT. The district is a
conservation and reclamation district in Travis County created under
Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03,
eff. April 1, 2015.
Sec. 8397.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8397.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3.03, Chapter 791, Acts of the 74th Legislature, Regular Session, 1995, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8397.005. PROHIBITION AGAINST IMPAIRMENT OF DISTRICT. A municipality in whose extraterritorial jurisdiction the district is located may not take any action, including passing an ordinance or resolution, that:

(1) impairs the district's ability to exercise the district's powers under this chapter; or

(2) limits the district's ability to finance, construct, or operate the district's water, wastewater, or drainage systems.
Sec. 8397.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Sec. 8397.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.

Sec. 8397.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a municipality that plans to annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:
(1) Travis County Municipal Utility District No. 3;
(2) Travis County Municipal Utility District No. 4;
(3) Travis County Municipal Utility District No. 6;
(4) Travis County Municipal Utility District No. 7;
(5) Travis County Municipal Utility District No. 8;
(6) Travis County Municipal Utility District No. 9; and
(7) Travis County Water Control and Improvement District No. 19.
(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the
question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Amended by:

Acts 2017, 85th Leg., 1st C.S., Ch. 6 (S.B. 6), Sec. 46, eff. December 1, 2017.

Sec. 8397.152. DUTIES OF MUNICIPALITY AFTER ANNEXATION. If a municipality in whose extraterritorial jurisdiction the district is located annexes the district for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall:

(1) simultaneously with the annexation, pay in cash to the landowner or developer of the district a sum equal to all actual costs and expenses incurred by the landowner or developer in connection with the district that:

(A) the district has agreed in writing to pay; and

(B) would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the commission as those rules and requirements exist on the date of annexation; and

(2) after the annexation, install all necessary water, wastewater, and drainage facilities to serve full buildout of development within the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a member of the board.
(4) "District" means the Travis County Municipal Utility District No. 6.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8398.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Travis County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8398.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8398.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4.03, Chapter 791, Acts of the 74th Legislature, Regular Session, 1995, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its
governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8398.005. PROHIBITION AGAINST IMPAIRMENT OF DISTRICT. A
municipality in whose extraterritorial jurisdiction the district is
located may not take any action, including passing an ordinance or
resolution, that:

(1) impairs the district's ability to exercise the
district's powers under this chapter; or

(2) limits the district's ability to finance, construct, or
operate the district's water, wastewater, or drainage systems.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8398.051. COMPOSITION OF BOARD; TERMS. (a) The district
is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8398.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the rights, powers, privileges, functions, and
duties provided by general law applicable to a municipal utility
district created under Section 59, Article XVI, Texas Constitution,
including Chapters 49, 50, and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
SUBCHAPTER D. MUNICIPAL ANNEXATION

Sec. 8398.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a municipality that plans to annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

1. Travis County Municipal Utility District No. 3;
2. Travis County Municipal Utility District No. 4;
3. Travis County Municipal Utility District No. 5;
4. Travis County Municipal Utility District No. 7;
5. Travis County Municipal Utility District No. 8;
6. Travis County Municipal Utility District No. 9; and
7. Travis County Water Control and Improvement District No. 19.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Amended by:
Acts 2017, 85th Leg., 1st C.S., Ch. 6 (S.B. 6), Sec. 47, eff. December 1, 2017.

Sec. 8398.152. DUTIES OF MUNICIPALITY AFTER ANNEXATION. If a municipality in whose extraterritorial jurisdiction the district is located annexes the district for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall:

1. Simultaneously with the annexation, pay in cash to the landowner or developer of the district a sum equal to all actual costs and expenses incurred by the landowner or developer in
connection with the district that:

(A) the district has agreed in writing to pay; and
(B) would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the commission as those rules and requirements exist on the date of annexation; and

(2) after the annexation, install all necessary water, wastewater, and drainage facilities to serve full buildout of development within the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

CHAPTER 8399. TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 7
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8399.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a member of the board.
(4) "District" means the Travis County Municipal Utility District No. 7.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8399.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Travis County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8399.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas
Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8399.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 5.03, Chapter 791, Acts of the 74th Legislature, Regular Session, 1995, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8399.005. PROHIBITION AGAINST IMPAIRMENT OF DISTRICT. A municipality in whose extraterritorial jurisdiction the district is located may not take any action, including passing an ordinance or resolution, that:

(1) impairs the district's ability to exercise the district's powers under this chapter; or
(2) limits the district's ability to finance, construct, or operate the district's water, wastewater, or drainage systems.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8399.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8399.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER D. MUNICIPAL ANNEXATION

Sec. 8399.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a municipality that plans to annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

1. Travis County Municipal Utility District No. 3;
2. Travis County Municipal Utility District No. 4;
3. Travis County Municipal Utility District No. 5;
4. Travis County Municipal Utility District No. 6;
5. Travis County Municipal Utility District No. 8;
6. Travis County Municipal Utility District No. 9; and
7. Travis County Water Control and Improvement District No. 19.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.
(d) The municipality seeking annexation shall pay the costs of the elections held under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Amended by:
Acts 2017, 85th Leg., 1st C.S., Ch. 6 (S.B. 6), Sec. 48, eff. December 1, 2017.

Sec. 8399.152. DUTIES OF MUNICIPALITY AFTER ANNEXATION. If a municipality in whose extraterritorial jurisdiction the district is located annexes the district for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall:

(1) simultaneously with the annexation, pay in cash to the landowner or developer of the district a sum equal to all actual costs and expenses incurred by the landowner or developer in connection with the district that:
   (A) the district has agreed in writing to pay; and
   (B) would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the commission as those rules and requirements exist on the date of annexation; and

(2) after the annexation, install all necessary water, wastewater, and drainage facilities to serve full buildout of development within the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Sec. 8400.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Travis County created under Section 59, Article XVI, Texas Constitution.

Sec. 8400.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8400.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 6.03, Chapter 791, Acts of the 74th Legislature, Regular Session, 1995, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its governing body.
Sec. 8400.005. PROHIBITION AGAINST IMPAIRMENT OF DISTRICT. A municipality in whose extraterritorial jurisdiction the district is located may not take any action, including passing an ordinance or resolution, that:

(1) impairs the district's ability to exercise the district's powers under this chapter; or

(2) limits the district's ability to finance, construct, or operate the district's water, wastewater, or drainage systems.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8400.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8400.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER D. MUNICIPAL ANNEXATION

Sec. 8400.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a municipality that plans to annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and
the following districts:

(1) Travis County Municipal Utility District No. 3;
(2) Travis County Municipal Utility District No. 4;
(3) Travis County Municipal Utility District No. 5;
(4) Travis County Municipal Utility District No. 6;
(5) Travis County Municipal Utility District No. 7;
(6) Travis County Municipal Utility District No. 9; and
(7) Travis County Water Control and Improvement District No. 19.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Amended by:

Acts 2017, 85th Leg., 1st C.S., Ch. 6 (S.B. 6), Sec. 49, eff. December 1, 2017.

Sec. 8400.152. DUTIES OF MUNICIPALITY AFTER ANNEXATION. If a municipality in whose extraterritorial jurisdiction the district is located annexes the district for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall:

(1) simultaneously with the annexation, pay in cash to the landowner or developer of the district a sum equal to all actual costs and expenses incurred by the landowner or developer in connection with the district that:

(A) the district has agreed in writing to pay; and
(B) would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the commission as those rules and requirements exist on the date of
annexation; and
  (2) after the annexation, install all necessary water, wastewater, and drainage facilities to serve full buildout of development within the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

CHAPTER 8401. TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8401.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a member of the board.
(4) "District" means the Travis County Municipal Utility District No. 9.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8401.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Travis County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8401.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
  (b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
  (c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03,
Sec. 8401.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 7.03, Chapter 791, Acts of the 74th Legislature, Regular Session, 1995, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8401.005. PROHIBITION AGAINST IMPAIRMENT OF DISTRICT. A municipality in whose extraterritorial jurisdiction the district is located may not take any action, including passing an ordinance or resolution, that:

(1) impairs the district's ability to exercise the district's powers under this chapter; or
(2) limits the district's ability to finance, construct, or operate the district's water, wastewater, or drainage systems.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8401.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03,
eff. April 1, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8401.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

**SUBCHAPTER D. MUNICIPAL ANNEXATION**

Sec. 8401.151. ANNEXATION BY MUNICIPALITY. (a) The governing body of a municipality that plans to annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

(1) Travis County Municipal Utility District No. 3;
(2) Travis County Municipal Utility District No. 4;
(3) Travis County Municipal Utility District No. 5;
(4) Travis County Municipal Utility District No. 6;
(5) Travis County Municipal Utility District No. 7;
(6) Travis County Municipal Utility District No. 8; and
(7) Travis County Water Control and Improvement District No. 19.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Sec. 8401.152. DUTIES OF MUNICIPALITY AFTER ANNEXATION. If a municipality in whose extraterritorial jurisdiction the district is located annexes the district for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall:

(1) simultaneously with the annexation, pay in cash to the landowner or developer of the district a sum equal to all actual costs and expenses incurred by the landowner or developer in connection with the district that:

(A) the district has agreed in writing to pay; and

(B) would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the commission as those rules and requirements exist on the date of annexation; and

(2) after the annexation, install all necessary water, wastewater, and drainage facilities to serve full buildout of development within the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

CHAPTER 8402. ROLLING CREEK UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8402.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.

(3) "District" means the Rolling Creek Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8402.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.
Sec. 8402.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8402.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 662, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Subchapter B. BOARD OF DIRECTORS

Sec. 8402.051. COMPOSITION OF BOARD. The board is composed of
five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8402.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8402.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

CHAPTER 8403. ROLLING FORK PUBLIC UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8403.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.

(3) "District" means the Rolling Fork Public Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8403.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under
Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8403.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8403.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 689, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8403.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8403.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.
(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8403.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

CHAPTER 8404. ROMAN FOREST PUBLIC UTILITY DISTRICT NO. 3
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8404.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Roman Forest Public Utility District No. 3.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Sec. 8404.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8404.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8404.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 668, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8404.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8404.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8404.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

CHAPTER 8405. ROMAN FOREST PUBLIC UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8405.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.

(3) "District" means the Roman Forest Public Utility District No. 4.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.
Sec. 8405.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8405.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8405.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 669, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;

(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose a tax; or

(4) the legality or operation of the district or its governing body.
Sec. 8405.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Sec. 8405.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Sec. 8405.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Sec. 8406.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Spring Creek Forest Public Utility District.
Sec. 8406.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Sec. 8406.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8406.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 630, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

1. Subchapter H, Chapter 54, Water Code;
2. Subchapter J, Chapter 49, Water Code; or
3. other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

1. the district's organization, existence, or validity;
2. the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
3. the district's right to impose a tax; or
4. the legality or operation of the district or its
governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8406.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8406.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code. (b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8406.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

**CHAPTER 8407. SPRING CREEK UTILITY DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8407.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.

(3) "District" means the Spring Creek Utility District.
Sec. 8407.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8407.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8407.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 682, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its
governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8407.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8407.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8407.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Text of chapter effective April 1, 2017

CHAPTER 8408. THUNDERBIRD UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8408.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
"District" means the Thunderbird Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8408.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Fort Bend County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8408.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8408.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 456, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for the purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district’s right to impose a tax; or
(4) the legality or operation of the district or its
governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8408.051. COMPOSITION OF BOARD. The board is composed of
five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8408.052. BOARD VACANCY. (a) Except as provided by
Subsection (b), a vacancy in the office of director shall be filled
in the manner provided by Section 49.105, Water Code.
(b) The Texas Commission on Environmental Quality shall appoint
directors to fill all of the vacancies on the board whenever the
number of qualified directors is fewer than three.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8408.101. MUNICIPAL UTILITY DISTRICT POWERS. The district
has the rights, powers, privileges, and functions conferred by
general law applicable to a municipal utility district, including
Chapters 49 and 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Port O'Connor Improvement District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Calhoun County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 693, Acts of the 65th Legislature, Regular Session, 1977, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose a tax; or

(4) the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8409.051. COMPOSITION OF BOARD; TERMS. (a) The board is composed of five elected directors.

(b) Directors serve staggered terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8409.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred and imposed by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.
SUBCHAPTER D. SALES AND USE TAX

Sec. 8409.151. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter, except to the extent Chapter 321, Tax Code, is inconsistent with this subchapter.

(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.152. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) The board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The district shall provide notice and hold the election in the manner provided by Subchapter D, Chapter 49, Water Code.

(d) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the Port O'Connor Improvement District at a rate not to exceed ____ percent" (insert rate of one or more increments of one-eighth of one percent).

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.153. SALES AND USE TAX RATE. (a) After the date the results are declared of an election held under Section 8409.152 at which the voters authorized imposition of a tax, the board shall provide by resolution or order the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) After the authorization of a tax under Section 8409.152, the board may increase or decrease the rate of the tax by one or more increments of one-eighth of one percent.
(c) The initial rate of the tax or any rate resulting from subsequent increases or decreases may not exceed the lesser of:

1. the maximum rate authorized at the election held under Section 8409.152; or
2. a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate prescribed by Section 321.101(f), Tax Code, at any location in the district.

(d) In determining whether the combined sales and use tax rate under Subsection (c)(2) would exceed the maximum combined rate prescribed by Section 321.101(f), Tax Code, at any location in the district, the board shall include:

1. any sales and use tax imposed by a political subdivision whose territory overlaps all or part of the district;
2. any sales and use tax to be imposed by Calhoun County as a result of an election held on the same date as the election held under Section 8409.152; and
3. any increase to an existing sales and use tax imposed by Calhoun County as a result of an election held on the same date as the election held under Section 8409.152.

(e) The board shall notify the comptroller of any changes made to the tax rate in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.154. USE OF REVENUE. Revenue from the sales and use tax imposed under Section 8409.153 is for the use and benefit of the district and may be used for any district purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.155. ABOLITION OR DECREASE OF TAX. (a) Except as provided by Subsection (b), the board may abolish or decrease the tax
imposed under Section 8409.153 without an election.

(b) The board may not abolish or decrease the tax imposed under Section 8409.153 if the district has outstanding debt secured by the tax and repayment of the debt would be impaired by the abolition or decrease of the tax.

(c) If the board abolishes or decreases the tax, the board shall notify the comptroller of that action in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

(d) If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held under Section 8409.152 before the district may subsequently impose the tax.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

CHAPTER 8410. QUAIL CREEK MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8410.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Quail Creek Municipal Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8410.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8410.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of
the district will benefit from the works and projects accomplished by the district under the authority granted by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8410.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 865, Acts of the 69th Legislature, Regular Session, 1985, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue bonds for a purpose for which the district was created or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8410.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8410.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Sec. 8410.102. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future uses.

(b) The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforceable by the Texas Commission on Environmental Quality for similarly situated districts in the region.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.03, eff. April 1, 2015.

Text of chapter effective April 1, 2017

CHAPTER 8411. SPRING MEADOWS MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8411.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Spring Meadows Municipal Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8411.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.
Sec. 8411.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8411.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 35, Acts of the 76th Legislature, Regular Session, 1999, as that territory may have been modified under:

1. Subchapter H, Chapter 54, Water Code;
2. Subchapter J, Chapter 49, Water Code; or
3. other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

1. the district's organization, existence, or validity;
2. the district's right to impose a tax; or
3. the legality or operation of the district or its governing body.

Sec. 8411.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.
Sec. 8411.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8412.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Varner Creek Utility District.

Sec. 8412.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Brazoria County created under Section 59, Article XVI, Texas Constitution.

Sec. 8412.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8412.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 352, Acts of the 62nd Legislature, Regular Session, 1971, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8412.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8412.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint
directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8412.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred by general law applicable to a municipal utility district, including Chapters 49 and 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

**CHAPTER 8413. WILLOW POINT MUNICIPAL UTILITY DISTRICT OF FORT BEND AND WALLER COUNTIES**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8413.001. DEFINITION. In this chapter, "district" means the Willow Point Municipal Utility District of Fort Bend and Waller Counties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 519 (S.B. 351), Sec. 1, eff. June 14, 2013.

Sec. 8413.002. NATURE OF DISTRICT. The district is a municipal utility district in Fort Bend and Waller Counties created under and essential to accomplish the purposes of Section 52(b)(3), Article III, or Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 519 (S.B. 351), Sec. 1, eff. June 14, 2013.

Sec. 8413.003. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 519 (S.B. 351), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER B. POWERS AND DUTIES**

Sec. 8413.051. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of:
   (1) each municipality in whose corporate limits or extraterritorial jurisdiction the district is located; and
   (2) each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 519 (S.B. 351), Sec. 1, eff. June 14, 2013.

Sec. 8413.052. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTIONS. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality, that consented to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 519 (S.B. 351), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS**

Sec. 8413.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8413.151.

Added by Acts 2013, 83rd Leg., R.S., Ch. 519 (S.B. 351), Sec. 1, eff. June 14, 2013.
SUBCHAPTER D.  BONDS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 2590, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8413.151.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS.  (a)  The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Section 8413.051.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8413.051 unless the issuance is approved by a vote of a two-thirds majority of the voters in the district or of the defined areas to be benefited by the project as provided by Subchapter J, Chapter 54, Water Code, voting at an election called for that purpose. The simple majority vote approval required by Section 54.808(a), Water Code, does not apply to an election under this subsection.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8413.051 may not exceed one-fourth of the assessed value of the real property in the district or the defined area as provided by Subchapter J, Chapter 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 519 (S.B. 351), Sec. 1, eff. June 14, 2013.

CHAPTER 8414.  MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 132

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8414.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 132.
Sec. 8414.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Sec. 8414.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Sec. 8414.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8414.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Sec. 8414.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 8414.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Sec. 8414.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE. (a) The district is eligible to be included in a tax increment reinvestment zone created under Chapter 311, Tax Code.

(b) If the City of Conroe has created or creates a tax increment reinvestment zone described by Subsection (a) that includes all or part of the territory of the district, the City of Conroe and the board of directors of the zone or a developer of property within the tax increment reinvestment zone that receives or will receive money from the tax increment fund, by contract with the district, may grant money to the district from the tax increment fund to be used for a permissible purpose of the district, including:

(1) the right to pledge the money as security for a bond or other obligation issued by the district; and
(2) any permissible purpose of a corporation under Section 380.002(b), Local Government Code.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8414.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8414.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Sec. 8414.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Bill Odle;
(2) Brandon Macey;
(3) Troy Koteras;
(4) Greg Snider; and
(5) Abby McMahon.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8414.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8414.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8414.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8414.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Sec. 8414.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Sec. 8414.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Sec. 8414.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Sec. 8414.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) In addition to all the rights and remedies provided by other law, if the district violates the terms of an ordinance or resolution described by Subsection (a), the municipality is entitled to injunctive relief or a writ of mandamus issued by a court requiring the district and the district's officials to observe and comply with the terms of the ordinance or resolution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Sec. 8414.106. EFFECT OF ANNEXATION OR INCLUSION WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF CONROE. Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the City of Conroe and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on that property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Sec. 8414.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district without the written consent of the City of Conroe.
Sec. 8414.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8414.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8414.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8414.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, tax increment payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 8414.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Sec. 8414.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 909 (H.B. 1260), Sec. 1, eff. June 14, 2013.

Text of chapter effective April 1, 2017

CHAPTER 8415. WEST CEDAR CREEK MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8415.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the West Cedar Creek Municipal Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8415.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Henderson County created under Section 59, Article XVI, Texas Constitution.
Sec. 8415.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8415.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 742, Acts of the 64th Legislature, Regular Session, 1975, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.
composed of seven elected directors.

(b) Directors serve staggered terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8415.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than four.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8415.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions conferred and imposed by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8415.102. WATER AND SEWER SYSTEMS. The district may acquire, and may improve or extend, any existing water or sewer system that serves all or part of the district territory or may construct a water or sewer system to serve the inhabitants of the county in which the district is situated.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8415.103. TAXES. The district may not impose a tax unless the tax has been approved by the voters at an election called for
that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

CHAPTER 8416. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 206
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8416.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Utility District No. 206.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8416.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or
resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8416.051. GOVERNING BODY; TERMS. (a) The district is
Sec. 8416.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) David Maxwell;
(2) Bill Richert;
(3) Robin Stoner;
(4) Pam Vollmar; and
(5) Rebecca Covell.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8416.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8416.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8416.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.
Sec. 8416.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications
of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8416.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8416.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8416.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 8416.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8416.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

Sec. 8416.203. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 739 (S.B. 273), Sec. 1, eff. June 14, 2013.

CHAPTER 8417.  LEANDER HILLS MUNICIPAL UTILITY DISTRICT OF WILLIAMSON COUNTY

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8417.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Leander Hills Municipal Utility District of Williamson County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.
Sec. 8417.004. CONSENT OF MUNICIPALITY AND DEVELOPMENT AGREEMENT REQUIRED. The temporary directors may not hold an election under Section 8417.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and
(2) entered into a development agreement under Section 212.172, Local Government Code, with the owners of the land described by Section 2 of the Act enacting this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.
Sec. 8417.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors. (b) Except as provided by Section 8417.052, directors serve staggered four-year terms.

Sec. 8417.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition. (b) Temporary directors serve until the earlier of: 1) the date permanent directors are elected under Section 8417.003; or 2) the fourth anniversary of the effective date of the Act enacting this chapter. (c) If permanent directors have not been elected under Section 8417.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of: 1) the date permanent directors are elected under Section 8417.003; or 2) the fourth anniversary of the date of the appointment or reappointment. (d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor...
temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8417.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) In addition to all the rights and remedies provided by other law, if the district violates the terms of an ordinance or resolution described by Subsection (a), a municipality is entitled to injunctive relief or a writ of mandamus issued by a court requiring the district and the district's officials to observe and comply with the terms of the ordinance or resolution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.106. EFFECT OF ANNEXATION BY OR INCLUSION WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF LEANDER. (a) The City of Leander may annex all of the district into its corporate limits under the terms of an agreement entered into before the effective date of the Act enacting this chapter between the city and the owners of the land being annexed, and, in that instance, the district may not be dissolved, except as provided by Subsection (b).

(b) The district may be dissolved and its debts and obligations assumed by the city in accordance with Chapter 43, Local Government Code, including Sections 43.075 and 43.0715, on completion of the construction of the water, sanitary sewer, and drainage improvements and roads required to serve at least 95 percent of the land in the
district.

(c) Notwithstanding Section 54.016(f)(2), Water Code, an agreement between the City of Leander and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on that property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8417.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8417.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8417.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1,
Sec. 8417.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8417.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1, eff. June 14, 2013.

Sec. 8417.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1393 (H.B. 1354), Sec. 1,
eff. June 14, 2013.

CHAPTER 8418.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 458
   SUBCHAPTER A.  GENERAL PROVISIONS

   Sec. 8418.001.  DEFINITION.  In this chapter, "district" means
the Harris County Municipal Utility District No. 458.

Added by Acts 2013, 83rd Leg., R.S., Ch. 436 (S.B. 604), Sec. 1, eff.
June 14, 2013.

Sec. 8418.002.  NATURE AND PURPOSES OF DISTRICT.  (a)  The
district is a municipal utility district created under Section 59,
Article XVI, Texas Constitution.

(b)  The district is created to accomplish the purposes of:
(1)  a municipal utility district as provided by general law
and Section 59, Article XVI, Texas Constitution; and
(2)  Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, improvement, operation, or
maintenance of macadamized, graveled, or paved roads, or
improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 436 (S.B. 604), Sec. 1, eff.
June 14, 2013.

SUBCHAPTER B.  POWERS AND DUTIES

Sec. 8418.051.  GENERAL POWERS AND DUTIES.  The district has the
powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 436 (S.B. 604), Sec. 1, eff.
June 14, 2013.
Sec. 8418.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 436 (S.B. 604), Sec. 1, eff. June 14, 2013.

Sec. 8418.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 436 (S.B. 604), Sec. 1, eff. June 14, 2013.

Sec. 8418.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 436 (S.B. 604), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8418.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS
FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8418.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 436 (S.B. 604), Sec. 1, eff. June 14, 2013.

Sec. 8418.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board of the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 436 (S.B. 604), Sec. 1, eff. June 14, 2013.

CHAPTER 8419. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8419.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 477.

Added by Acts 2013, 83rd Leg., R.S., Ch. 132 (S.B. 610), Sec. 1, eff. May 24, 2013.

Sec. 8419.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 132 (S.B. 610), Sec. 1, eff. May 24, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8419.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 132 (S.B. 610), Sec. 1, eff. May 24, 2013.

Sec. 8419.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 132 (S.B. 610), Sec. 1, eff. May 24, 2013.

Sec. 8419.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 132 (S.B. 610), Sec. 1, eff. May 24, 2013.
Sec. 8419.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 132 (S.B. 610), Sec. 1, eff. May 24, 2013.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8419.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8419.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 132 (S.B. 610), Sec. 1, eff. May 24, 2013.

Sec. 8419.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board of the district shall provide for the annual imposition of a
continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 132 (S.B. 610), Sec. 1, eff. May 24, 2013.

CHAPTER 8420. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 106
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8420.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 106.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8420.003 until each
municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8420.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8420.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8420.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8420.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8420.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8420.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8420.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8420.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8420.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
Sec. 8420.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8420.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

Sec. 8420.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.
Sec. 8420.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 308 (H.B. 1506), Sec. 1, eff. June 14, 2013.

CHAPTER 8421. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 137

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8421.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Montgomery County Municipal Utility District No. 137.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

Sec. 8421.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

Sec. 8421.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.
Sec. 8421.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary
directors may not hold an election under Section 8421.003 until each
municipality in whose corporate limits or extraterritorial
jurisdiction the district is located has consented by ordinance or
resolution to the creation of the district and to the inclusion of
land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff.
June 14, 2013.

Sec. 8421.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law
and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, improvement, operation, or
maintenance of macadamized, graveled, or paved roads, or
improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff.
June 14, 2013.

Sec. 8421.006. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act enacting this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process
does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest
on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff.
June 14, 2013.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8421.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8421.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

Sec. 8421.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Deborah Hamilton Arterburn;
(2) Christina Eliasha Cole;
(3) Jared Sean Fargo;
(4) Aimee Ordeneaux Raley; and
(5) Robert Wempe.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8421.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8421.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8421.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8421.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

Sec. 8421.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

Sec. 8421.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

Sec. 8421.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and
subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

Sec. 8421.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8421.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8421.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

Sec. 8421.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8421.151, the district
may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

Sec. 8421.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8421.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

Sec. 8421.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 8421.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 551 (S.B. 624), Sec. 1, eff. June 14, 2013.

Chapter 8422. Montgomery County Municipal Utility District No. 138

Subchapter A. General Provisions

Sec. 8422.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Montgomery County Municipal Utility District No. 138.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

Sec. 8422.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

Sec. 8422.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.
Sec. 8422.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8422.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8422.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8422.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8422.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8422.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

Sec. 8422.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8422.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.
(c) If permanent directors have not been elected under Section 8422.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8422.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons
director.
named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8422.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

Sec. 8422.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

Sec. 8422.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

Sec. 8422.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

Sec. 8422.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8422.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8422.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.
Sec. 8422.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8422.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

Sec. 8422.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8422.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

Sec. 8422.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct
ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

Sec. 8422.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 754 (S.B. 623), Sec. 1, eff. June 14, 2013.

CHAPTER 8423. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 135

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8423.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 135.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

Sec. 8423.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

Sec. 8423.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

Sec. 8423.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8423.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

Sec. 8423.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

Sec. 8423.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8423.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8423.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

Sec. 8423.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8423.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8423.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8423.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8423.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

Sec. 8423.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

Sec. 8423.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.
Sec. 8423.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

Sec. 8423.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8423.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8423.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an
Sec. 8423.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8423.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

Sec. 8423.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8423.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.
Sec. 8423.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

Sec. 8423.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 612 (S.B. 1266), Sec. 1, eff. June 14, 2013.

CHAPTER 8424. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 216

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8424.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Utility District No. 216.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

Sec. 8424.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.
Sec. 8424.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

Sec. 8424.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8424.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

Sec. 8424.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

Sec. 8424.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8424.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8424.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

Sec. 8424.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Elizabeth D. Barnett;
(2) Phillip S. Froehlich;
(3) Jeff Holstein;
(4) Teresa Kelly; and
(5) Harry Peyton.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8424.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8424.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section
8424.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8424.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

Sec. 8424.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

Sec. 8424.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added byActs 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff.
Sec. 8424.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

Sec. 8424.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8424.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8424.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

Sec. 8424.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8424.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

Sec. 8424.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8424.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 8424.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

Sec. 8424.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 132 (H.B. 1068), Sec. 1, eff. May 28, 2015.

CHAPTER 8425. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 140

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8425.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 140.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8425.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.
Sec. 8425.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8425.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8425.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8425.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section
8425.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8425.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8425.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under
Section 54.016 or 54.0165, Water Code, and that consents to the
creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff.
June 14, 2013.

Sec. 8425.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52,
Article III, Texas Constitution, the district may design, acquire,
construct, finance, issue bonds for, improve, operate, maintain, and
convey to this state, a county, or a municipality for operation and
maintenance macadamized, graveled, or paved roads, or improvements,
including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff.
June 14, 2013.

Sec. 8425.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road
project must meet all applicable construction standards, zoning and
subdivision requirements, and regulations of each municipality in
whose corporate limits or extraterritorial jurisdiction the road
project is located.

(b) If a road project is not located in the corporate limits or
extraterritorial jurisdiction of a municipality, the road project
must meet all applicable construction standards, subdivision
requirements, and regulations of each county in which the road
project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications
of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff.
June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8425.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations
secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8425.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8425.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.154. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:
(1) the district has no outstanding bonded debt;
(2) the district is not imposing ad valorem taxes; and
(3) the requirement of Subsection (i) is satisfied.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8425.151 to authorize the district's bonds.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8425.003.

(i) If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this subchapter unless the municipality by resolution or ordinance consents to the division of the district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue
bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8425.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

Sec. 8425.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 307 (H.B. 1492), Sec. 1, eff. June 14, 2013.

CHAPTER 8426. BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 48

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8426.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Brazoria County Municipal Utility District No. 48.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8426.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
   (b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8426.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Except as provided by Section 8426.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.052. TEMPORARY DIRECTORS. (a) On or after the
effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8426.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8426.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8426.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8426.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under
Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8426.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8426.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8426.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8426.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.

Sec. 8426.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 821 (S.B. 1845), Sec. 1, eff. June 14, 2013.
Sec. 8427.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Brazoria County Municipal Utility District No. 49.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

Sec. 8427.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

Sec. 8427.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

Sec. 8427.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8427.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.
Sec. 8427.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

Sec. 8427.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8427.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8427.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.
Sec. 8427.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8427.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8427.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8427.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8427.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.
Sec. 8427.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

Sec. 8427.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

Sec. 8427.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

Sec. 8427.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable
requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8427.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8427.153.
(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

Sec. 8427.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8427.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

Sec. 8427.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 8427.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

Sec. 8427.202.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.

Sec. 8427.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1241 (S.B. 1846), Sec. 1, eff. June 14, 2013.
CHAPTER 8428.  BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 50
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8428.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Brazoria County Municipal Utility District No. 50.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.

Sec. 8428.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.

Sec. 8428.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.

Sec. 8428.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 8428.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.
Sec. 8428.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of: (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.

Sec. 8428.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter. (b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's: (1) organization, existence, or validity; (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond; (3) right to impose a tax; or (4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8428.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors. (b) Except as provided by Section 8428.052, directors serve staggered four-year terms.
Sec. 8428.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8428.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8428.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8428.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Subchapter C. POWERS AND DUTIES

Sec. 8428.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 8428.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8428.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8428.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 8428.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8428.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8428.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.

Sec. 8428.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8428.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.
Sec. 8428.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8428.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.

Sec. 8428.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 822 (S.B. 1847), Sec. 1, eff. June 14, 2013.

Sec. 8428.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
CHAPTER 8429. BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 39

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8429.001. DEFINITION. In this chapter, "district" means the Brazoria County Municipal Utility District No. 39.

Sec. 8429.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8429.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8429.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 439 (S.B. 703), Sec. 1, eff. June 14, 2013.
Sec. 8429.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 439 (S.B. 703), Sec. 1, eff. June 14, 2013.

Sec. 8429.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 439 (S.B. 703), Sec. 1, eff. June 14, 2013.

Sec. 8429.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 439 (S.B. 703), Sec. 1, eff. June 14, 2013.
SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8429.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8429.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 439 (S.B. 703), Sec. 1, eff. June 14, 2013.

Sec. 8429.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 439 (S.B. 703), Sec. 1, eff. June 14, 2013.

CHAPTER 8430. BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 35

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8430.001. DEFINITION. In this chapter, "district" means the Brazoria County Municipal Utility District No. 35.

Added by Acts 2013, 83rd Leg., R.S., Ch. 440 (S.B. 704), Sec. 1, eff. June 14, 2013.

Sec. 8430.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 440 (S.B. 704), Sec. 1, eff. June 14, 2013.

Sec. 8430.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 440 (S.B. 704), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. POWERS AND DUTIES
Sec. 8430.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 440 (S.B. 704), Sec. 1, eff. June 14, 2013.

Sec. 8430.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 440 (S.B. 704), Sec. 1, eff. June 14, 2013.

Sec. 8430.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52,
Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 440 (S.B. 704), Sec. 1, eff. June 14, 2013.

Sec. 8430.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 440 (S.B. 704), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8430.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8430.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road
projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 440 (S.B. 704), Sec. 1, eff. June 14, 2013.

Sec. 8430.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board of the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 440 (S.B. 704), Sec. 1, eff. June 14, 2013.

CHAPTER 8431. HARRIS–WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8431.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris–Waller Counties Municipal Utility District No. 3.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

Sec. 8431.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.
Sec. 8431.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

Sec. 8431.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8431.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

Sec. 8431.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

Sec. 8431.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's.
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8431.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8431.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

Sec. 8431.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Lonnie Lee;
(2) Jennifer Coleman;
(3) Dana Thompson;
(4) John Hoag; and
(5) David Ward.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8431.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8431.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8431.003; or
(2) the fourth anniversary of the date of the appointment
or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8431.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

Sec. 8431.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

Sec. 8431.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.
Sec. 8431.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

Sec. 8431.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8431.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8431.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

Sec. 8431.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8431.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

Sec. 8431.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8431.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.
Sec. 8431.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

Sec. 8431.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 752 (S.B. 608), Sec. 1, eff. June 14, 2013.

CHAPTER 8432. NORTH SAN GABRIEL MUNICIPAL UTILITY DISTRICT OF WILLIAMSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8432.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the North San Gabriel Municipal Utility District of Williamson County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff. June 14, 2013.

Sec. 8432.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff.
Sec. 8432.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff. June 14, 2013.

Sec. 8432.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff. June 14, 2013.

Sec. 8432.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;

2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

3. right to impose a tax; or

4. legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff.
Sec. 8432.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors. 
(b) Except as provided by Section 8432.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff. June 14, 2013.

Sec. 8432.052. TEMPORARY DIRECTORS. (a) The temporary board consists of: 
(1) Julie Lane; 
(2) Jennifer Johnson; 
(3) Heidi Parker; 
(4) Mary Elizabeth Hix; and 
(5) Mindy Montford. 
(b) Temporary directors serve until the earlier of: 
(1) the date permanent directors are elected under Section 8432.003; or 
(2) September 1, 2017. 
(c) If permanent directors have not been elected under Section 8432.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of: 
(1) the date permanent directors are elected under Section 8432.003; or 
(2) the fourth anniversary of the date of the appointment or reappointment. 
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff.
Sec. 8432.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff. June 14, 2013.

Sec. 8432.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff. June 14, 2013.

Sec. 8432.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff. June 14, 2013.

Sec. 8432.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision
requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

(d) After September 1, 2023, the district, at the district's expense, shall repair and maintain any streets in the district.

(e) The district's repair and maintenance of a street under this section must comply with all applicable construction standards and regulations of Williamson County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff. June 14, 2013.

Sec. 8432.105. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8432.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an
order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8432.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff. June 14, 2013.

Sec. 8432.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8432.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff. June 14, 2013.

Sec. 8432.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 8432.151, the district
may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff.
June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8432.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract
payments, tax increment payments, grants, or other district money, or
any combination of those sources, to pay for any authorized district
purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff.
June 14, 2013.

Sec. 8432.202. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct
ad valorem tax, without limit as to rate or amount, while all or part
of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff.
June 14, 2013.

Sec. 8432.203. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 913 (H.B. 1355), Sec. 1, eff.
June 14, 2013.
CHAPTER 8433. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 136

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8433.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 136.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

Sec. 8433.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

Sec. 8433.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

Sec. 8433.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8433.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff.
Sec. 8433.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. 
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

Sec. 8433.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8433.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8433.052, directors serve staggered four-year terms.
Sec. 8433.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8433.003; or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8433.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8433.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8433.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 8433.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

Sec. 8433.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

Sec. 8433.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8433.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or
convey a road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

Sec. 8433.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8433.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8433.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

Sec. 8433.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8433.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 8433.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8433.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

Sec. 8433.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

Sec. 8433.203. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 524 (S.B. 482), Sec. 1, eff. June 14, 2013.

CHAPTER 8434. COTTON CENTER MUNICIPAL UTILITY DISTRICT NO. 2 OF CALDWELL COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8434.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Cotton Center Municipal Utility District No. 2 of Caldwell County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.
Sec. 8434.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8434.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.
Sec. 8434.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE. (a) The district is eligible to be included in a tax increment reinvestment zone created under Chapter 311, Tax Code. (b) If the City of Martindale creates a tax increment reinvestment zone described by Subsection (a) that includes all or part of the territory of the district, the City of Martindale and the board of directors of the zone, by contract with the district, may grant money to the district from the tax increment fund to be used for a permissible purpose of the district, including the right to pledge the money as security for a bond or other obligation issued by the district and for any permissible purpose of a corporation under Section 380.002(b), Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8434.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors. (b) Except as provided by Section 8434.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.052. TEMPORARY DIRECTORS. (a) The temporary board consists of: (1) Brandon D. Rabe; (2) Garrod E. Huebner; (3) Brendan K. Puthoff; (4) Jeremy P. Poloskey; and (5) Brian J. Kaucher. (b) Temporary directors serve until the earlier of: (1) the date permanent directors are elected under Section 8434.003; or (2) the fourth anniversary of the effective date of the Act enacting this chapter.
(c) If permanent directors have not been elected under Section 8434.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8434.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8434.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire,
construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.105. COSTS OF ROAD PROJECT. The district may bear the cost of designing, maintaining, improving, and operating a road in the district authorized under Section 8434.103 in accordance with all applicable ordinances and rules of the political subdivision authorized to exercise jurisdiction over the road, regardless of whether the district conveys the road to this state, a county, or a municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable
requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) In addition to all the rights and remedies provided by other law, if the district violates the terms of an ordinance or resolution described by Subsection (a), the municipality is entitled to injunctive relief or a writ of mandamus issued by a court requiring the district and the district's officials to observe and comply with the terms of the ordinance or resolution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.107. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8434.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.108. EFFECT OF ANNEXATION BY CITY OF MARTINDALE. Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the City of Martindale and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on that property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS**

Sec. 8434.151. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the
district:
(1) has never issued any bonds; and
(2) is not imposing ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.153. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.154. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8434.003 to confirm the district's creation.

(c) An order dividing the district must:
(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between the new districts.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with
the commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8434.003.

(b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.156. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8434.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8434.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an
Sec. 8434.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8434.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8434.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.
Sec. 8434.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

CHAPTER 8435. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 257
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8435.001. DEFINITIONS. In this chapter, "district" means the Harris County Municipal Utility District No. 257.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1335 (S.B. 757), Sec. 1, eff. June 14, 2013.

Sec. 8435.002. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1335 (S.B. 757), Sec. 1,
eff. June 14, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8435.051. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1335 (S.B. 757), Sec. 1, eff. June 14, 2013.

Sec. 8435.052. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1335 (S.B. 757), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. BONDS

Sec. 8435.101. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1335 (S.B. 757), Sec. 1,
eff. June 14, 2013.

CHAPTER 8436. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 536
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8436.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 536.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

Sec. 8436.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

Sec. 8436.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

Sec. 8436.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8436.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 8436.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8436.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8436.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8436.052, directors serve staggered four-year terms.
Sec. 8436.052. TEMORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8436.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8436.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8436.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8436.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 8436.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

Sec. 8436.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

Sec. 8436.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.
Sec. 8436.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8436.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8436.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

Sec. 8436.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8436.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.
Sec. 8436.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8436.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

Sec. 8436.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

Sec. 8436.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
CHAPTER 8437. BELLA VISTA MUNICIPAL UTILITY DISTRICT

Sec. 8437.001. DEFINITION. In this chapter, "district" means the Bella Vista Municipal Utility District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 545 (S.B. 564), Sec. 1, eff. June 14, 2013.

Sec. 8437.002. REMOVAL OF AREA FROM EMERGENCY SERVICES DISTRICT. (a) This section applies only to:

(1) a municipality with a population of less than 100,000; and

(2) an emergency services district operating under Chapter 775, Health and Safety Code, in which the district is wholly or partly located.

(b) If the district enters into a strategic partnership agreement with a municipality under Section 43.0751, Local Government Code, that includes the provision of fire-fighting services as defined by Section 49.351(k), Water Code, and the district has completed all other procedures necessary for a limited-purpose annexation by that municipality, an emergency services district shall disannex the territory of the district to be served by the municipality under the agreement in accordance with Subsection (c).

(c) The territory remains part of the emergency services district until the secretary of the emergency services district board receives from the district notice that the requirements of Subsection (b) have been met. On receipt of the notice, the board shall immediately change its records to show that the district territory has been disannexed from the emergency services district and shall cease to provide further services to the residents of that territory.

(d) Sections 775.022(b), (c), (d), (e), and (f), Health and Safety Code, apply to a disannexation under this section, as if the disannexation occurred under the provisions of Section 775.022(a),
Health and Safety Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 484 (S.B. 1481), Sec. 1, eff. September 1, 2013.

CHAPTER 8438.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 534
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8438.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 534.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

Sec. 8438.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

Sec. 8438.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

Sec. 8438.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 8438.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or
resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

Sec. 8438.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

Sec. 8438.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.
governed by a board of five elected directors.

(b) Except as provided by Section 8438.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

Sec. 8438.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8438.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8438.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8438.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.
Sec. 8438.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

Sec. 8438.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

Sec. 8438.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

Sec. 8438.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications.
of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

Sec. 8438.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8438.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8438.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

Sec. 8438.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8438.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 8438.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Subchapter E. BONDS AND OTHER OBLIGATIONS

Sec. 8438.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8438.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8438.203. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 471 (S.B. 1073), Sec. 1, eff. June 14, 2013.

CHAPTER 8439.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 457

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8439.001.  DEFINITION.  In this chapter, "district" means the Harris County Municipal Utility District No. 457.

Added by Acts 2013, 83rd Leg., R.S., Ch. 549 (S.B. 606), Sec. 1, eff. June 14, 2013.

Sec. 8439.002.  NATURE AND PURPOSES OF DISTRICT.  (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 549 (S.B. 606), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B.  POWERS AND DUTIES

Sec. 8439.051.  GENERAL POWERS AND DUTIES.  The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 549 (S.B. 606), Sec. 1, eff. June 14, 2013.
Sec. 8439.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 549 (S.B. 606), Sec. 1, eff. June 14, 2013.

Sec. 8439.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 549 (S.B. 606), Sec. 1, eff. June 14, 2013.

Sec. 8439.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 549 (S.B. 606), Sec. 1, eff. June 14, 2013.
FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8439.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 549 (S.B. 606), Sec. 1, eff. June 14, 2013.

Sec. 8439.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board of the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 549 (S.B. 606), Sec. 1, eff. June 14, 2013.

Text of chapter effective April 1, 2017

CHAPTER 8440. WEST TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8440.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means West Travis County Municipal Utility District No. 3.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.
Sec. 8440.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Travis County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8440.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8440.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1212, Acts of the 71st Legislature, Regular Session, 1989, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8440.005. APPLICATION OF CONDITIONS TO CREATION. The
enactment of Chapter 1212, Acts of the 71st Legislature, Regular Session, 1989, did not affect conditions to the consent of the creation of the district imposed by any jurisdiction in which the district is located.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8440.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8440.052. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in November of each even-numbered year.

Added by Acts 2017, 85th Leg., R.S., Ch. 655 (S.B. 2243), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8440.101. GENERAL POWERS AND DUTIES. (a) The district has the rights, powers, privileges, functions, and duties:

(1) provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code;

(2) relating to a road district or road utility district created under Section 52, Article III, Texas Constitution; and

(3) relating to the provision of potable and nonpotable water to the residents and businesses of Travis and Hays Counties, including the construction, acquisition, operation, and maintenance of a supply and distribution facility or system.

(b) Notwithstanding Subsection (a), the district may not construct, acquire, operate, or maintain a toll road.
CHAPTER 8441. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 17

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8441.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Waller County Municipal Utility District No. 17.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8441.003 until each municipality in whose corporate limits or extraterritorial
jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8441.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8441.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8441.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.
(c) If permanent directors have not been elected under Section 8441.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8441.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 8441.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8441.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8441.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8441.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8441.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

Sec. 8441.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.
Sec. 8441.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 753 (S.B. 609), Sec. 1, eff. June 14, 2013.

CHAPTER 8442. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 171

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8442.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Harris County Municipal Utility District No. 171.

Added by Acts 2013, 83rd Leg., R.S., Ch. 759 (S.B. 836), Sec. 1, eff. June 14, 2013.

Sec. 8442.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 759 (S.B. 836), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8442.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
Sec. 8442.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 759 (S.B. 836), Sec. 1, eff. June 14, 2013.

Sec. 8442.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 759 (S.B. 836), Sec. 1, eff. June 14, 2013.

Sec. 8442.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 759 (S.B. 836), Sec. 1, eff. June 14, 2013.
SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8442.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8442.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 759 (S.B. 836), Sec. 1, eff. June 14, 2013.

Sec. 8442.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 759 (S.B. 836), Sec. 1, eff. June 14, 2013.

CHAPTER 8443. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 532
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8443.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility
Sec. 8443.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 469 (S.B. 1071), Sec. 1, eff. June 14, 2013.

Sec. 8443.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 469 (S.B. 1071), Sec. 1, eff. June 14, 2013.

Sec. 8443.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8443.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 469 (S.B. 1071), Sec. 1, eff. June 14, 2013.

Sec. 8443.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or
maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 469 (S.B. 1071), Sec. 1, eff. June 14, 2013.

Sec. 8443.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 469 (S.B. 1071), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8443.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8443.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 469 (S.B. 1071), Sec. 1, eff. June 14, 2013.

Sec. 8443.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors
the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8443.003; or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8443.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8443.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 469 (S.B. 1071), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8443.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 469 (S.B. 1071), Sec. 1, eff. June 14, 2013.

Sec. 8443.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8443.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8443.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8443.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8443.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8443.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 469 (S.B. 1071), Sec. 1, eff. June 14, 2013.

Sec. 8443.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8443.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 469 (S.B. 1071), Sec. 1, eff. June 14, 2013.

Sec. 8443.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.
Sec. 8443.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  
The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8443.202.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8443.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
Sec. 8444.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

Sec. 8444.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

Sec. 8444.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8444.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

Sec. 8444.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of a municipal utility district as provided by general law and Section 59,
Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

Sec. 8444.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8444.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8444.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

Sec. 8444.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Joseph Forrester;
(2) Eric Willis;
(3) George Kaleh;
(4) Jennifer Montgomery; and
(5) Dan Quinlan.
(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8444.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8444.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8444.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8444.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

Sec. 8444.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff.
Sec. 8444.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

Sec. 8444.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8444.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

Sec. 8444.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8444.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

Sec. 8444.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an
operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8444.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

Sec. 8444.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 283 (H.B. 964), Sec. 1, eff. June 14, 2013.

CHAPTER 8445. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 212

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8445.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Utility District No. 212.

Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

Sec. 8445.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

Sec. 8445.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

Sec. 8445.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8445.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

Sec. 8445.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

Sec. 8445.006. INITIAL DISTRICT TERRITORY.  (a)  The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b)  The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure.  A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1)  organization, existence, or validity;

(2)  right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3)  right to impose a tax; or

(4)  legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B.  BOARD OF DIRECTORS

Sec. 8445.051.  GOVERNING BODY; TERMS.  (a)  The district is governed by a board of five elected directors.

(b)  Except as provided by Section 8445.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

Sec. 8445.052.  TEMPORARY DIRECTORS.  (a)  On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in
the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8445.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8445.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8445.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8445.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

Sec. 8445.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8445.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8445.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8445.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.
SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS

Sec. 8445.151.  ELECTIONS REGARDING TAXES OR BONDS.  (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8445.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

Sec. 8445.152.  OPERATION AND MAINTENANCE TAX.  (a) If authorized at an election held under Section 8445.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

Sec. 8445.153.  CONTRACT TAXES.  (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.
Added by Acts 2013, 83rd Leg., R.S., Ch. 771 (S.B. 1068), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8445.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8445.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8445.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

CHAPTER 8446. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 184

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8446.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on
Sec. 8446.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

Sec. 8446.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

Sec. 8446.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8446.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Sec. 8446.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of: (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8446.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 4, Chapter 1250, and Section 5, Chapter 1309, Acts of the 83rd Legislature, Regular Session, 2013. (b) The boundaries and field notes contained in Section 4, Chapter 1250, and Section 5, Chapter 1309, Acts of the 83rd Legislature, Regular Session, 2013, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's: (1) organization, existence, or validity; (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond; (3) right to impose a tax; or (4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

Amended by: Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 15.002(a), eff. September 1, 2015.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8446.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8446.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

Sec. 8446.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8446.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8446.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8446.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

### SUBCHAPTER C. POWERS AND DUTIES

Sec. 8446.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

Sec. 8446.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

Sec. 8446.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4,
Sec. 8446.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

Sec. 8446.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8446.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8446.153.
(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

Sec. 8446.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8446.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

Sec. 8446.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4,
eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8446.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

Sec. 8446.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.

Sec. 8446.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 3, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1309 (H.B. 3954), Sec. 4, eff. June 14, 2013.
CHAPTER 8447. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 105

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8447.001. DEFINITION. In this chapter, "district" means the Montgomery County Municipal Utility District No. 105.

Added by Acts 2013, 83rd Leg., R.S., Ch. 494 (S.B. 1829), Sec. 1, eff. June 14, 2013.

Sec. 8447.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 494 (S.B. 1829), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8447.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 494 (S.B. 1829), Sec. 1, eff. June 14, 2013.

Sec. 8447.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 494 (S.B. 1829), Sec. 1, eff. June 14, 2013.
Sec. 8447.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 494 (S.B. 1829), Sec. 1, eff. June 14, 2013.

Sec. 8447.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 494 (S.B. 1829), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8447.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8447.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 494 (S.B. 1829), Sec. 1, eff. June 14, 2013.

Sec. 8447.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 494 (S.B. 1829), Sec. 1, eff. June 14, 2013.

CHAPTER 8448. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8448.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Waller County Municipal Utility District No. 18.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

Sec. 8448.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.
Sec. 8448.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

Sec. 8448.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8448.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

Sec. 8448.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

Sec. 8448.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8448.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8448.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

Sec. 8448.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8448.003; or
(2) the fourth anniversary of the effective date of the Act establishing this chapter.
(c) If permanent directors have not been elected under Section 8448.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section
8448.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8448.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

Sec. 8448.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

Sec. 8448.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff.
Sec. 8448.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

Sec. 8448.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8448.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8448.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

Sec. 8448.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8448.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

Sec. 8448.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8448.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 8448.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

Sec. 8448.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 437 (S.B. 607), Sec. 1, eff. June 14, 2013.

CHAPTER 8449. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 139

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8449.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 139.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas
Sec. 8449.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8449.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.006. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the Act enacting this chapter.
   (b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8449.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Except as provided by Section 8449.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2013, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
   (b) Temporary directors serve until the earlier of:
       (1) the date permanent directors are elected under Section 8449.003; or
       (2) September 1, 2017.
   (c) If permanent directors have not been elected under Section 8449.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8449.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8449.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and
convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.106. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership
agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for a term of any number of years and may be amended from time to time with the consent of the parties to the agreement. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt; and
(2) the district is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8449.151 to authorize the district's bonds.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.
(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8449.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8449.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8449.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8449.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 8449.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8449.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

Sec. 8449.203. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1395 (H.B. 1385), Sec. 1, eff. June 14, 2013.

CHAPTER 8450. BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 40

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8450.001. DEFINITION. In this chapter, "district" means the Brazoria County Municipal Utility District No. 40.

Added by Acts 2013, 83rd Leg., R.S., Ch. 441 (S.B. 705), Sec. 1, eff. June 14, 2013.

Sec. 8450.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 441 (S.B. 705), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8450.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 441 (S.B. 705), Sec. 1, eff. June 14, 2013.
Sec. 8450.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 441 (S.B. 705), Sec. 1, eff. June 14, 2013.

Sec. 8450.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 441 (S.B. 705), Sec. 1, eff. June 14, 2013.

Sec. 8450.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 441 (S.B. 705), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS
Sec. 8450.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS
FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8450.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 441 (S.B. 705), Sec. 1, eff. June 14, 2013.

Sec. 8450.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board of the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 441 (S.B. 705), Sec. 1, eff. June 14, 2013.

CHAPTER 8451. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 530

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8451.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 530.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.
Sec. 8451.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

Sec. 8451.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

Sec. 8451.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8451.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

Sec. 8451.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1,
Sec. 8451.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8451.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8451.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

Sec. 8451.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

1. Jerry Ashmore;
2. Bari Pace;
3. Robert Quarles;
4. Neal Shudde; and
5. Jim Thomas.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 8451.003; or
the fourth anniversary of the effective date of the Act
enacting this chapter.

(c) If permanent directors have not been elected under Section 8451.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8451.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8451.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

Sec. 8451.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.
Sec. 8451.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

Sec. 8451.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

Sec. 8451.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8451.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8451.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

Sec. 8451.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8451.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

Sec. 8451.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8451.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

Sec. 8451.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

Sec. 8451.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1334 (S.B. 752), Sec. 1, eff. June 14, 2013.

CHAPTER 8452. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 531

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8452.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 531.
Sec. 8452.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8452.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8452.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8452.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8452.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of: (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 8452.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Sec. 8452.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8452.052, directors serve staggered four-year terms.

Sec. 8452.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) J. T. Hall;
(2) Paul White;
(3) Christopher Thomas;
(4) Antoinette Hanson; and
(5) Shane Herzog.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section
8452.003; or
(2) the fourth anniversary of the effective date of the Act
enacting this chapter.
(c) If permanent directors have not been elected under Section
8452.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier
of:
(1) the date permanent directors are elected under Section
8452.003; or
(2) the fourth anniversary of the date of the appointment
or reappointment.
(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons
named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff.
June 14, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

**Sec. 8452.101. GENERAL POWERS AND DUTIES.** The district has the
powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff.
June 14, 2013.

**Sec. 8452.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.**
The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to
municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff.
June 14, 2013.
Sec. 8452.103.  AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff. June 14, 2013.

Sec. 8452.104.  ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff. June 14, 2013.

Sec. 8452.105.  COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8452.151.  ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8452.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff. June 14, 2013.

Sec. 8452.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8452.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff. June 14, 2013.

Sec. 8452.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff. June 14, 2013.
SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 8452.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff. June 14, 2013.

Sec. 8452.202.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff. June 14, 2013.

Sec. 8452.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 574 (S.B. 751), Sec. 1, eff. June 14, 2013.

CHAPTER 8453.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 533

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8453.001.  DEFINITIONS.  In this chapter:

(1)  "Board" means the district's board of directors.
(2)  "Commission" means the Texas Commission on Environmental Quality.
(3)  "Director" means a board member.
(4)  "District" means the Harris County Municipal Utility District No. 533.
Sec. 8453.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8453.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8453.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8453.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8453.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 8453.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Sec. 8453.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8453.052, directors serve staggered four-year terms.

Sec. 8453.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section
8453.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8453.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8453.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8453.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.

Sec. 8453.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.
Sec. 8453.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.

Sec. 8453.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.

Sec. 8453.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8453.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8453.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.

Sec. 8453.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8453.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.

Sec. 8453.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.
SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 8453.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.

Sec. 8453.202.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.

Sec. 8453.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 470 (S.B. 1072), Sec. 1, eff. June 14, 2013.

CHAPTER 8454.  MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8454.001.  DEFINITION.  In this chapter, "district" means the Montgomery County Municipal Utility District No. 126.

Added by Acts 2013, 83rd Leg., R.S., Ch. 932 (H.B. 1586), Sec. 1, eff. September 1, 2013.
Sec. 8454.101. NO ALLOCATION AGREEMENT. Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 932 (H.B. 1586), Sec. 1, eff. September 1, 2013.

Sec. 8455.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Utility District No. 209.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8455.003 until each
municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8455.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8455.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8455.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.
(c) If permanent directors have not been elected under Section 8455.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8455.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.
Sec. 8455.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8455.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8455.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8455.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8455.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

Sec. 8455.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.
Sec. 8455.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 769 (S.B. 1065), Sec. 1, eff. June 14, 2013.

CHAPTER 8456.  FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 208

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8456.001.  DEFINITIONS.  In this chapter:
(1)  "Board" means the district's board of directors.
(2)  "Commission" means the Texas Commission on Environmental Quality.
(3)  "Director" means a board member.
(4)  "District" means the Fort Bend County Municipal Utility District No. 208.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.

Sec. 8456.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.

Sec. 8456.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.
Sec. 8456.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8456.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.

Sec. 8456.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.

Sec. 8456.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8456.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8456.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.

Sec. 8456.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8456.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8456.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8456.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff.
Sec. 8456.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.

Sec. 8456.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.

Sec. 8456.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.

Sec. 8456.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision
requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.

Sec. 8456.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8456.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8456.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff. June 14, 2013.

Sec. 8456.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8456.151, the district
may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff.
June 14, 2013.

Sec. 8456.153. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an
operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the
contract have been approved by a majority of the district voters
voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff.
June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8456.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract
payments, grants, or other district money, or any combination of
those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 768 (S.B. 1064), Sec. 1, eff.
June 14, 2013.

Sec. 8456.202. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct
ad valorem tax, without limit as to rate or amount, while all or part
of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.
Sec. 8456.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 8457.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 133.

Sec. 8457.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8457.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

Sec. 8457.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8457.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

Sec. 8457.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

Sec. 8457.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the
Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8457.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8457.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

Sec. 8457.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8457.003; or
(2) the fourth anniversary of the effective date of the Act
enacting this chapter.

(c) If permanent directors have not been elected under Section 8457.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8457.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8457.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

Sec. 8457.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff.
Sec. 8457.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8457.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8457.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under
Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8457.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8457.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

Sec. 8457.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8457.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.
Sec. 8457.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8457.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

Sec. 8457.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff.
Sec. 8457.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 567 (S.B. 724), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 933 (H.B. 1588), Sec. 1, eff. June 14, 2013.

CHAPTER 8458. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 134

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8458.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 134.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.

Sec. 8458.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.
Sec. 8458.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.

Sec. 8458.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8458.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.

Sec. 8458.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of: (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.

Sec. 8458.006. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8458.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8458.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.

Sec. 8458.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8458.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8458.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8458.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8458.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.

Sec. 8458.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8458.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8458.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8458.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable
requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8458.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8458.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.

Sec. 8458.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8458.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1,
Sec. 8458.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.
(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 8458.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8458.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 568 (S.B. 725), Sec. 1, eff. June 14, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.
Sec. 8458.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1397 (H.B. 1587), Sec. 1, eff. June 14, 2013.

CHAPTER 8459. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 213

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8459.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Utility District No. 213.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

Sec. 8459.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

Sec. 8459.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as
Sec. 8459.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8459.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

Sec. 8459.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

Sec. 8459.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest
on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8459.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

   (b) Except as provided by Section 8459.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

Sec. 8459.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

   (b) Temporary directors serve until the earlier of:

   (1) the date permanent directors are elected under Section 8459.003; or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.

   (c) If permanent directors have not been elected under Section 8459.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

   (1) the date permanent directors are elected under Section 8459.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

   (d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8459.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

Sec. 8459.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

Sec. 8459.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

Sec. 8459.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and
subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

Sec. 8459.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8459.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8459.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.
Sec. 8459.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8459.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8459.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8459.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8459.202. TAXES FOR BONDS. At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

Sec. 8459.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 772 (S.B. 1069), Sec. 1, eff. June 14, 2013.

CHAPTER 8460. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 504
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8460.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 504.

Added by Acts 2013, 83rd Leg., R.S., Ch. 934 (H.B. 1594), Sec. 1, eff. June 14, 2013.

Sec. 8460.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 934 (H.B. 1594), Sec. 1, eff.
SUBCHAPTER B. POWERS AND DUTIES

Sec. 8460.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 934 (H.B. 1594), Sec. 1, eff. June 14, 2013.

Sec. 8460.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 934 (H.B. 1594), Sec. 1, eff. June 14, 2013.

Sec. 8460.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 934 (H.B. 1594), Sec. 1, eff. June 14, 2013.

Sec. 8460.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision
requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 934 (H.B. 1594), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS**

Sec. 8460.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8460.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 934 (H.B. 1594), Sec. 1, eff. June 14, 2013.

Sec. 8460.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board of directors of the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 934 (H.B. 1594), Sec. 1, eff. June 14, 2013.
CHAPTER 8461.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 505

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8461.001.  DEFINITION.  In this chapter, "district" means the Harris County Municipal Utility District No. 505.

Added by Acts 2013, 83rd Leg., R.S., Ch. 669 (H.B. 1593), Sec. 1, eff. June 14, 2013.

Sec. 8461.002.  NATURE AND PURPOSES OF DISTRICT.  (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 669 (H.B. 1593), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B.  POWERS AND DUTIES

Sec. 8461.051.  GENERAL POWERS AND DUTIES.  The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 669 (H.B. 1593), Sec. 1, eff. June 14, 2013.

Sec. 8461.052.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.  The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 669 (H.B. 1593), Sec. 1, eff. June 14, 2013.
Sec. 8461.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 669 (H.B. 1593), Sec. 1, eff. June 14, 2013.

Sec. 8461.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 669 (H.B. 1593), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8461.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8461.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 669 (H.B. 1593), Sec. 1, eff. June 14, 2013.

Sec. 8461.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board of directors of the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 669 (H.B. 1593), Sec. 1, eff. June 14, 2013.

CHAPTER 8462. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 210

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8462.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Utility District No. 210.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

Sec. 8462.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff.
Sec. 8462.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

Sec. 8462.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8462.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

Sec. 8462.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
    (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
    (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

Sec. 8462.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of
the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8462.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8462.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

Sec. 8462.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 8462.003; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8462.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8462.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8462.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

Sec. 8462.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

Sec. 8462.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 8462.104.  ROAD STANDARDS AND REQUIREMENTS.  (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

Sec. 8462.105.  COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS

Sec. 8462.151.  ELECTIONS REGARDING TAXES OR BONDS.  (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8462.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

Sec. 8462.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8462.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

Sec. 8462.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8462.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 8462.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

Sec. 8462.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 601 (S.B. 1066), Sec. 1, eff. June 14, 2013.

CHAPTER 8463. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 211

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8463.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fort Bend County Municipal Utility District No. 211.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas
Sec. 8463.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8463.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.006. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8463.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8463.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 8463.003; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8463.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8463.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8463.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and
maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8463.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8463.153.
(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8463.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8463.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

Sec. 8463.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 770 (S.B. 1067), Sec. 1, eff. June 14, 2013.

CHAPTER 8464. BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 47

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8464.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Brazoria County Municipal Utility District No. 47.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.
Sec. 8464.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

Sec. 8464.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

Sec. 8464.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8464.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

Sec. 8464.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff.
Sec. 8464.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8464.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8464.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

Sec. 8464.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8464.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8464.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8464.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8464.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

Sec. 8464.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.
Sec. 8464.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

Sec. 8464.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

Sec. 8464.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8464.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8464.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

Sec. 8464.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8464.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

Sec. 8464.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.
SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 8464.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

Sec. 8464.202.  TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

Sec. 8464.203.  BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 442 (S.B. 706), Sec. 1, eff. June 14, 2013.

CHAPTER 8465.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 422
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8465.001.  DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 422.

Added by Acts 2013, 83rd Leg., R.S., Ch. 954 (H.B. 1800), Sec. 1, eff. June 14, 2013.
Sec. 8465.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 954 (H.B. 1800), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8465.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 954 (H.B. 1800), Sec. 1, eff. June 14, 2013.

Sec. 8465.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 954 (H.B. 1800), Sec. 1, eff. June 14, 2013.

Sec. 8465.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 8465.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 954 (H.B. 1800), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8465.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8465.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 954 (H.B. 1800), Sec. 1, eff. June 14, 2013.
Sec. 8465.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 954 (H.B. 1800), Sec. 1, eff. June 14, 2013.

CHAPTER 8466. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 423
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8466.001. DEFINITION. In this chapter, "district" means the Harris County Municipal Utility District No. 423.

Added by Acts 2013, 83rd Leg., R.S., Ch. 955 (H.B. 1801), Sec. 1, eff. June 14, 2013.

Sec. 8466.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 955 (H.B. 1801), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8466.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 955 (H.B. 1801), Sec. 1, eff.
Sec. 8466.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of
this state, including Chapters 49 and 54, Water Code, applicable to
municipal utility districts created under Section 59, Article XVI,
Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 955 (H.B. 1801), Sec. 1, eff.
June 14, 2013.

Sec. 8466.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52,
Article III, Texas Constitution, the district may design, acquire,
construct, finance, issue bonds for, improve, operate, maintain, and
convey to this state, a county, or a municipality for operation and
maintenance macadamized, graveled, or paved roads, or improvements,
including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 955 (H.B. 1801), Sec. 1, eff.
June 14, 2013.

Sec. 8466.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road
project must meet all applicable construction standards, zoning and
subdivision requirements, and regulations of each municipality in
whose corporate limits or extraterritorial jurisdiction the road
project is located.

(b) If a road project is not located in the corporate limits or
extraterritorial jurisdiction of a municipality, the road project
must meet all applicable construction standards, subdivision
requirements, and regulations of each county in which the road
project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications
of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 955 (H.B. 1801), Sec. 1, eff.
June 14, 2013.
SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8466.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8466.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 955 (H.B. 1801), Sec. 1, eff. June 14, 2013.

Sec. 8466.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 955 (H.B. 1801), Sec. 1, eff. June 14, 2013.

CHAPTER 8467. ELLIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8467.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Ellis County Municipal Utility District No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1, eff. June 14, 2013.
Sec. 8467.002. NATURE OF DISTRICT. The district is a municipal utility district created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1, eff. June 14, 2013.

Sec. 8467.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) All land and other property in the district will benefit from the improvements and services to be provided by the district.

(b) The district is created to accomplish the purposes of Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1, eff. June 14, 2013.

Sec. 8467.004. ANNEXATION BY MUNICIPALITY. Notwithstanding any other law, on the written consent of the landowners and the district, a municipality in whose extraterritorial jurisdiction the district is located may annex a portion of the district. The district is not dissolved as a result of an annexation under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1, eff. June 14, 2013.

Sec. 8467.005. LIMITED-PURPOSE ANNEXATION BY A MUNICIPALITY. (a) Notwithstanding any other law, the governing body of a municipality in whose extraterritorial jurisdiction the district is located may:

(1) enter into a strategic partnership agreement with the district; and

(2) annex all or a portion of the district for limited
purposes under Section 43.0751, Local Government Code.

(b) An individual residing in the district is considered an inhabitant of a municipality for the purposes of determining the population of the municipality under Section 5, Article XI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8467.051. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1, eff. June 14, 2013.

Sec. 8467.052. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the territory of the district as it existed on the date the district was created.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) An order dividing the district must:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(f) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(g) Any new district created by the division of the district shall hold a confirmation and directors' election as provided by Section 49.102, Water Code.

(h) Municipal consent to the creation of the district and to the inclusion of land in the district acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1, eff. June 14, 2013.

Sec. 8467.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may acquire, construct, improve, operate, or maintain macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes inside the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1, eff. June 14, 2013.

Sec. 8467.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits the district is located.

(b) If a district is not located in the corporate limits of a municipality and is not subject to a development agreement with a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of
each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1, eff. June 14, 2013.

Sec. 8467.055. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTIONS. The district shall comply with all applicable requirements of any resolution, adopted by the governing body of a municipality, that consented to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8467.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 8467.151.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. BONDS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 2590, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8467.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Section 8467.053.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8467.053 unless the issuance is approved by a vote of a two-thirds majority of the voters in the district or of the
defined areas to be benefited by the project as provided by
Subchapter J, Chapter 54, Water Code, voting at an election called
for that purpose. The simple majority vote approval required by
Section 54.808(a), Water Code, does not apply to an election under
this subsection.

(c) Bonds or other obligations issued or incurred to finance
projects authorized by Section 8467.053 may not exceed one-fourth of
the assessed value of the real property in the district or the
defined area as provided by Subchapter J, Chapter 54, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1116 (H.B. 3877), Sec. 1,
eff. June 14, 2013.

CHAPTER 8468. CROSSWINDS MUNICIPAL UTILITY DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8468.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on
Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Crosswinds Municipal Utility
District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff.
June 14, 2013.

Sec. 8468.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas
Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff.
June 14, 2013.

Sec. 8468.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as
provided by Section 49.102, Water Code.
Sec. 8468.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8468.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff. June 14, 2013.

Sec. 8468.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff. June 14, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 487 (H.B. 2401), Sec. 1, eff. June 16, 2015.

Sec. 8468.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8468.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8468.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff. June 14, 2013.

Sec. 8468.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Anthony Dell Abate;
(2) John Avent;
(3) Barry Clark;
(4) Roy Sanders; and
(5) Lee Weber.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8468.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.
(c) If permanent directors have not been elected under Section 8468.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8468.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8468.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff. June 14, 2013.

Sec. 8468.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff. June 14, 2013.

Sec. 8468.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff. June 14, 2013.

Sec. 8468.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire,
construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 487 (H.B. 2401), Sec. 2, eff. June 16, 2015.

Sec. 8468.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 487 (H.B. 2401), Sec. 2, eff. June 16, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8468.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8468.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.
Sec. 8468.152.  OPERATION AND MAINTENANCE TAX.  (a)  If authorized at an election held under Section 8468.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b)  The board shall determine the tax rate.  The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff. June 14, 2013.

Sec. 8468.153.  CONTRACT TAXES.  (a)  In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b)  A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 8468.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 8468.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 499 (S.B. 1862), Sec. 1, eff. June 14, 2013.

Sec. 8468.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 487 (H.B. 2401), Sec. 4, eff. June 16, 2015.

CHAPTER 8469. VENABLE RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8469.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Aubrey, Texas.
(3) "Commission" means the Texas Commission on Environmental Quality.
(4) "Director" means a board member.
(5) "District" means the Venable Ranch Municipal Utility District No. 1 of Denton County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.
Sec. 8469.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.004. CONSENT OF CITY REQUIRED. The temporary directors may not hold an election under Section 8469.003 until:

(1) the city has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and

(2) the city and an owner or owners of land in the district have entered into a development agreement under Section 212.172, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2, Chapter 1244, and Section 6, Chapter 1308, Acts of the 83rd Legislature, Regular Session, 2013.

(b) The boundaries and field notes contained in Section 2, Chapter 1244, and Section 6, Chapter 1308, Acts of the 83rd Legislature, Regular Session, 2013, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.

Amended by:
Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 15.003(a), eff. September 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8469.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8469.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1,
Sec. 8469.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2013, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8469.003; or

(2) September 1, 2017.

(c) If permanent directors have not been elected under Section 8469.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8469.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8469.101. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project
must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2, Chapter 1244, and Section 6, Chapter 1308, Acts of the 83rd Legislature, Regular Session, 2013.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before
or after the date the board holds an election under Section 8469.151 to authorize the issuance of bonds.

(f) An order dividing the district must:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8469.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 15.004(a), eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 15.004(b), eff. September 1, 2015.

Sec. 8469.107. FIREFIGHTING SERVICES. Notwithstanding Section 49.351(a), Water Code, the district may, as authorized by Section 59(f), Article XVI, Texas Constitution, and Section 49.351, Water Code:

(1) establish, operate, and maintain a fire department;
(2) contract with another political subdivision for the joint operation of a fire department; or

(3) contract with any other person to perform firefighting services in the district and may issue bonds and impose taxes to pay for the department and the activities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.108. FEES AND CHARGES. (a) The district may adopt and enforce all necessary charges, mandatory fees, or rentals, in addition to taxes, for providing or making available any district facility or service, including firefighting activities provided under Section 8469.107.

(b) To enforce payment of an unpaid fee or charge due to the district, on the request of the district, a retail public utility, as defined by Section 13.002, Water Code, providing water or sewer service to a customer in the district shall terminate the service.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8469.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8469.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an
Sec. 8469.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8469.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8469.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8469.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract
payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

Sec. 8469.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.

SUBCHAPTER F. ANNEXATION BY CITY

Sec. 8469.251. EFFECT OF ANNEXATION BY CITY. (a) Notwithstanding any other law, if all of the territory of the district or a district created by the division of the district is annexed by the city into the corporate limits of the city, the district may not be dissolved and continues in existence following annexation until:
(1) water, sanitary sewer, and drainage improvements and roads have been constructed to serve at least 90 percent of the territory of the district capable of development; or
(2) the board adopts a resolution consenting to the dissolution of the district.

(b) After annexation by the city:
(1) the district may impose a special assessment in the manner provided by Subchapter F, Chapter 375, Local Government Code; and
(2) Section 375.161, Local Government Code, does not apply to the district.

(c) Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the city and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property within the city's corporate limits may exceed the city's ad valorem tax on that property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1244 (S.B. 1877), Sec. 1, eff. September 1, 2013.
Added by Acts 2013, 83rd Leg., R.S., Ch. 1308 (H.B. 3914), Sec. 5, eff. September 1, 2013.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 872 (H.B. 3099), Sec. 1, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 872, Sec. 2, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 872, Sec. 3, eff. September 1, 2015.

CHAPTER 8470. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 188
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8470.001. DEFINITION. In this chapter, "district" means the Fort Bend County Municipal Utility District No. 188.

Added by Acts 2013, 83rd Leg., R.S., Ch. 493 (S.B. 1824), Sec. 1, eff. September 1, 2013.
Sec. 8470.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 493 (S.B. 1824), Sec. 1, eff. September 1, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8470.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 493 (S.B. 1824), Sec. 1, eff. September 1, 2013.

Sec. 8470.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 493 (S.B. 1824), Sec. 1, eff. September 1, 2013.

Sec. 8470.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 8470.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 493 (S.B. 1824), Sec. 1, eff. September 1, 2013.
Sec. 8470.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding.

Added by Acts 2013, 83rd Leg., R.S., Ch. 493 (S.B. 1824), Sec. 1, eff. September 1, 2013.

CHAPTER 8471. NEEDMORE RANCH MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8471.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Needmore Ranch Municipal Utility District No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

Sec. 8471.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

Sec. 8471.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.
Sec. 8471.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8471.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

Sec. 8471.005. LEGISLATIVE FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The creation of the district is essential to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution;

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads; and

(3) Section 52-a, Article III, Texas Constitution, that relate to the development and diversification of the economy of this state.

(c) The creation of the district is necessary to develop, encourage, and maintain safety and the public welfare in the district.

(d) All land and other property in the district will benefit from the improvements and services to be provided by the district under this chapter.

(e) The district will:

(1) seek and provide funding for the district to maintain and enhance the economic health and vitality of the territory in the district as a residential community and business center; and

(2) provide for the preservation and conservation of the natural resources within the district, while protecting private property rights to develop and beneficially use those resources in an organized and lawfully regulated manner.

(f) The district will not act as the agent or instrumentality...
of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

Sec. 8471.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8471.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8471.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

Sec. 8471.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors
the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8471.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8471.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8471.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8471.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

Sec. 8471.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8471.103. RESIDENTIAL OR PLANNED COMMUNITY DEVELOPMENT; WASTEWATER TREATMENT FACILITY. (a) In the event that a residential subdivision or planned community is developed in the territory of the district, the district shall develop a wastewater treatment facility in coordination with Hays County and the City of Wimberley.

(b) A developer who proposes to build a residential subdivision or planned community in the territory of the district must agree to develop the property in a manner that works in conjunction with the design and specifications of any wastewater treatment facility developed under Subsection (a).

(c) Repealed by Acts 2015, 84th Leg., R.S., Ch. 914, Sec. 2, eff. September 1, 2015.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

Amended by:
Acts 2015, 84th Leg., R.S., Ch. 914 (S.B. 2075), Sec. 2, eff. September 1, 2015.

Sec. 8471.104. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

Amended by:
Acts 2015, 84th Leg., R.S., Ch. 914 (S.B. 2075), Sec. 1, eff. September 1, 2015.

Sec. 8471.105. LIMITATION ON ANNEXATION. The district may not add land by petition of less than all the landowners under Section 49.302, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

Amended by:
Acts 2015, 84th Leg., R.S., Ch. 914 (S.B. 2075), Sec. 1, eff. September 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8471.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8471.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

Sec. 8471.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8471.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff. June 14, 2013.

Sec. 8471.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff.
Sec. 8471.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
The district may issue bonds or other obligations payable wholly or
partly from ad valorem taxes, impact fees, revenue, contract
payments, grants, or other district money, or any combination of
those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff.
June 14, 2013.

Sec. 8471.202. TAXES FOR BONDS. (a) At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall provide for the annual imposition of a continuing direct
ad valorem tax, without limit as to rate or amount, while all or part
of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

(b) The board's order to issue bonds and impose an ad valorem
tax must provide that on retirement of the bonds for which the tax is
originally authorized, unless a subsequent bond election authorizes a
continuation of the tax, the imposition of the tax, including the
district's authority to assess and collect the tax, ends.

Added by Acts 2013, 83rd Leg., R.S., Ch. 500 (S.B. 1868), Sec. 1, eff.
June 14, 2013.

CHAPTER 8472. LASALLE MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8472.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on
Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the LaSalle Municipal Utility District
No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1,
Sec. 8472.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1, eff. June 14, 2013.

Sec. 8472.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1, eff. June 14, 2013.

Sec. 8472.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8472.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1, eff. June 14, 2013.

Sec. 8472.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

1. a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

2. Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 8472.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Sec. 8472.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8472.052, directors serve staggered four-year terms.

Sec. 8472.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
   (1) Chuck Kaufman;
   (2) Eric Willis;
   (3) Chris Gee;
   (4) Kristi LaRue; and
   (5) Doug Goss.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1, eff. June 14, 2013.
(2) the fourth anniversary of the effective date of their designation.

(c) If permanent directors have not been elected under Section 8472.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8472.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1, eff. June 14, 2013.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 677 (S.B. 2295), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8472.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1, eff. June 14, 2013.

Sec. 8472.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8472.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, and Section 53.029(c), Water Code, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, gravelled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8472.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8472.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.
Sec. 8472.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8472.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1, eff. June 14, 2013.

Sec. 8472.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8472.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1, eff. June 14, 2013.

Sec. 8472.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 8472.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Except as provided by Subsection (b), the district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds payable wholly or partly from assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1, eff. June 14, 2013.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 677 (S.B. 2295), Sec. 2, eff. June 12, 2017.

Sec. 8472.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1, eff. June 14, 2013.

Sec. 8472.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1247 (S.B. 1899), Sec. 1,
SUBCHAPTER F.  ASSESSMENTS; APPLICABILITY OF ASSESSMENTS

Sec. 8472.251.  PETITION REQUIRED FOR FINANCING IMPROVEMENTS AND RECREATIONAL FACILITIES WITH ASSESSMENTS.  (a) Except as provided by this subchapter, the board may finance the construction or maintenance of a recreational facility or improvement with assessments on property under this subchapter only if:

(1) a written petition requesting that facility or improvement has been filed with the board; and

(2) the board holds a hearing on the proposed assessments.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 677 (S.B. 2295), Sec. 3, eff. June 12, 2017.

Sec. 8472.252.  MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE.  An improvement or recreational facility project may include the planning, design, construction, improvement, and maintenance of:

(1) landscaping;

(2) marinas and bridges;

(3) lighting, banners, and signs;

(4) hiking and cycling paths or trails;

(5) sidewalks, pedestrian walkways, skywalks, crosswalks, or tunnels;

(6) ponds, lakes, recreational facilities, or scenic areas;

(7) plazas or pedestrian malls;

(8) drainage or navigation improvements; or

(9) solid waste, water, sewer, or power facilities, including electrical and gas power facilities.

Added by Acts 2017, 85th Leg., R.S., Ch. 677 (S.B. 2295), Sec. 3, eff. June 12, 2017.
Sec. 8472.253. METHOD OF NOTICE FOR HEARING. The district shall mail notice of the hearing to each property owner in the district who will be subject to the assessment at the current address to be assessed as reflected on the tax rolls. The district may mail the notice by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2017, 85th Leg., R.S., Ch. 677 (S.B. 2295), Sec. 3, eff. June 12, 2017.

Sec. 8472.254. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) An assessment or a reassessment imposed under this subchapter by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(b) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(c) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 677 (S.B. 2295), Sec. 3, eff. June 12, 2017.

Sec. 8472.255. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS. The district may not impose an assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as
defined by Section 31.002, Utilities Code;
   (2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
   (3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
   (4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2017, 85th Leg., R.S., Ch. 677 (S.B. 2295), Sec. 3, eff. June 12, 2017.

CHAPTER 8473. LASALLE MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8473.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the LaSalle Municipal Utility District No. 2.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.

Sec. 8473.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.

Sec. 8473.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.
Sec. 8473.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8473.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.

Sec. 8473.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.

Sec. 8473.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8473.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8473.052, directors serve staggered four-year terms.

Sec. 8473.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Kevin Bales;
(2) Tol S. Higginbotham IV;
(3) Mark Baldwin;
(4) Brannin Prideaux; and
(5) Chris Synan.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8473.003; or
(2) the fourth anniversary of the effective date of their designation.
(c) If permanent directors have not been elected under Section 8473.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8473.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.
Amended by:

Acts 2017, 85th Leg., R.S., Ch. 678 (S.B. 2296), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8473.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.

Sec. 8473.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.

Sec. 8473.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, and Section 53.029(c), Water Code, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.

Sec. 8473.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road
project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.

Sec. 8473.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8473.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8473.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.
Sec. 8473.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8473.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code. 
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8473.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.
(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 8473.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Except as provided by Subsection (b), the district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
(b) The district may not issue bonds payable wholly or partly from assessments.
Sec. 8473.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.

Sec. 8473.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 626 (S.B. 1900), Sec. 1, eff. June 14, 2013.

SUBCHAPTER F. ASSESSMENTS; APPLICABILITY OF ASSESSMENTS

Sec. 8473.251. PETITION REQUIRED FOR FINANCING IMPROVEMENTS AND RECREATIONAL FACILITIES WITH ASSESSMENTS. (a) Except as provided by this subchapter, the board may finance the construction or maintenance of a recreational facility or improvement with assessments on property under this subchapter only if:

(1) a written petition requesting that facility or improvement has been filed with the board; and

(2) the board holds a hearing on the proposed assessments.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 678 (S.B. 2296), Sec. 3, eff.
Sec. 8473.252. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE. An improvement or recreational facility project may include the planning, design, construction, improvement, and maintenance of:

(1) landscaping;
(2) marinas and bridges;
(3) lighting, banners, and signs;
(4) hiking and cycling paths or trails;
(5) sidewalks, pedestrian walkways, skywalks, crosswalks, or tunnels;
(6) ponds, lakes, recreational facilities, or scenic areas;
(7) plazas or pedestrian malls;
(8) drainage or navigation improvements; or
(9) solid waste, water, sewer, or power facilities, including electrical and gas power facilities.

Added by Acts 2017, 85th Leg., R.S., Ch. 678 (S.B. 2296), Sec. 3, eff. June 12, 2017.

Sec. 8473.253. METHOD OF NOTICE FOR HEARING. The district shall mail notice of the hearing to each property owner in the district who will be subject to the assessment at the current address to be assessed as reflected on the tax rolls. The district may mail the notice by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2017, 85th Leg., R.S., Ch. 678 (S.B. 2296), Sec. 3, eff. June 12, 2017.

Sec. 8473.254. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) An assessment or a reassessment imposed under this subchapter by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(b) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(c) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 678 (S.B. 2296), Sec. 3, eff. June 12, 2017.

Sec. 8473.255. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS. The district may not impose an assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2017, 85th Leg., R.S., Ch. 678 (S.B. 2296), Sec. 3, eff. June 12, 2017.

CHAPTER 8474. LASALLE MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8474.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the LaSalle Municipal Utility District No. 3.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8474.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8474.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8474.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Jeremy Mazur;
(2) Curtis Davidson;
(3) Ross Allen;
(4) Edward Wilhelm; and
(5) Brent Covert.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8474.003; or
(2) the fourth anniversary of the effective date of their designation.

(c) If permanent directors have not been elected under Section 8474.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8474.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 679 (S.B. 2297), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8474.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, and Section 53.029(c), Water Code, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.
(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable
requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8474.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8474.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8474.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the
tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8474.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  (a) Except as provided by Subsection (b), the district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds payable wholly or partly from assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Amended by:
Acts 2017, 85th Leg., R.S., Ch. 679 (S.B. 2297), Sec. 2, eff. June 12, 2017.

Sec. 8474.202. TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff. June 14, 2013.

Sec. 8474.203. BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 627 (S.B. 1901), Sec. 1, eff.
June 14, 2013.

SUBCHAPTER F.  ASSESSMENTS; APPLICABILITY OF ASSESSMENTS

Sec. 8474.251.  PETITION REQUIRED FOR FINANCING IMPROVEMENTS AND
RECREATIONAL FACILITIES WITH ASSESSMENTS.  (a) Except as provided by
this subchapter, the board may finance the construction or
maintenance of a recreational facility or improvement with
assessments on property under this subchapter only if:

(1) a written petition requesting that facility or
improvement has been filed with the board; and

(2) the board holds a hearing on the proposed assessments.

(b) The petition must be signed by the owners of a majority of
the assessed value of real property in the district subject to
assessment according to the most recent certified tax appraisal roll
for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 679 (S.B. 2297), Sec. 3, eff.
June 12, 2017.

Sec. 8474.252.  MISCELLANEOUS DESIGN, CONSTRUCTION, AND
MAINTENANCE. An improvement or recreational facility project may
include the planning, design, construction, improvement, and
maintenance of:

(1) landscaping;
(2) marinas and bridges;
(3) lighting, banners, and signs;
(4) hiking and cycling paths or trails;
(5) sidewalks, pedestrian walkways, skywalks, crosswalks,
or tunnels;
(6) ponds, lakes, recreational facilities, or scenic areas;
(7) plazas or pedestrian malls;
(8) drainage or navigation improvements; or
(9) solid waste, water, sewer, or power facilities,
including electrical and gas power facilities.
Sec. 8474.253. METHOD OF NOTICE FOR HEARING. The district shall mail notice of the hearing to each property owner in the district who will be subject to the assessment at the current address to be assessed as reflected on the tax rolls. The district may mail the notice by certified or first class United States mail. The board shall determine the method of notice.

Sec. 8474.254. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) An assessment or a reassessment imposed under this subchapter by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(b) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(c) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.
Sec. 8474.255. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS. The
district may not impose an assessment on the property, including the
equipment, rights-of-way, facilities, or improvements, of:
(1) an electric utility or a power generation company as
defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001,
Utilities Code;
(3) a telecommunications provider as defined by Section
51.002, Utilities Code; or
(4) a person who provides to the public cable television or
advanced telecommunications services.

Added by Acts 2017, 85th Leg., R.S., Ch. 679 (S.B. 2297), Sec. 3, eff.
June 12, 2017.

CHAPTER 8475. LASALLE MUNICIPAL UTILITY DISTRICT NO. 4
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8475.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on
Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the LaSalle Municipal Utility District
No. 4.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff.
June 14, 2013.

Sec. 8475.002. NATURE OF DISTRICT. The district is a municipal
utility district created under Section 59, Article XVI, Texas
Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff.
June 14, 2013.

Sec. 8475.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as
provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

Sec. 8475.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8475.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

Sec. 8475.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

Sec. 8475.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest
on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8475.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8475.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

Sec. 8475.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Curby Ohnheiser;
(2) Bill Zukaukas;
(3) James Hines;
(4) Sam Siddons; and
(5) Terry Zrubek.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8475.003; or
(2) the fourth anniversary of the effective date of their designation.
(c) If permanent directors have not been elected under Section 8475.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8475.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.
Amended by:
   Acts 2017, 85th Leg., R.S., Ch. 680 (S.B. 2298), Sec. 1, eff. June 12, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8475.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

Sec. 8475.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

Sec. 8475.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, and Section 53.029(c), Water Code, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.
Sec. 8475.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

Sec. 8475.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8475.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8475.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

Sec. 8475.152.  OPERATION AND MAINTENANCE TAX.  (a) If authorized at an election held under Section 8475.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

Sec. 8475.153.  CONTRACT TAXES.  (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 8475.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  (a) Except as provided by Subsection (b), the district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds payable wholly or partly
from assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.
Amended by:
   Acts 2017, 85th Leg., R.S., Ch. 680 (S.B. 2298), Sec. 2, eff. June 12, 2017.

Sec. 8475.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

Sec. 8475.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 628 (S.B. 1902), Sec. 1, eff. June 14, 2013.

SUBCHAPTER F. ASSESSMENTS; APPLICABILITY OF ASSESSMENTS
Sec. 8475.251. PETITION REQUIRED FOR FINANCING IMPROVEMENTS AND RECREATIONAL FACILITIES WITH ASSESSMENTS. (a) Except as provided by this subchapter, the board may finance the construction or maintenance of a recreational facility or improvement with assessments on property under this subchapter only if:
   (1) a written petition requesting that facility or improvement has been filed with the board; and
   (2) the board holds a hearing on the proposed assessments.
   (b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to
assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 680 (S.B. 2298), Sec. 3, eff. June 12, 2017.

Sec. 8475.252. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE. An improvement or recreational facility project may include the planning, design, construction, improvement, and maintenance of:

(1) landscaping;
(2) marinas and bridges;
(3) lighting, banners, and signs;
(4) hiking and cycling paths or trails;
(5) sidewalks, pedestrian walkways, skywalks, crosswalks, or tunnels;
(6) ponds, lakes, recreational facilities, or scenic areas;
(7) plazas or pedestrian malls;
(8) drainage or navigation improvements; or
(9) solid waste, water, sewer, or power facilities, including electrical and gas power facilities.

Added by Acts 2017, 85th Leg., R.S., Ch. 680 (S.B. 2298), Sec. 3, eff. June 12, 2017.

Sec. 8475.253. METHOD OF NOTICE FOR HEARING. The district shall mail notice of the hearing to each property owner in the district who will be subject to the assessment at the current address to be assessed as reflected on the tax rolls. The district may mail the notice by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2017, 85th Leg., R.S., Ch. 680 (S.B. 2298), Sec. 3, eff. June 12, 2017.

Sec. 8475.254. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) An assessment or a reassessment imposed under this subchapter by the district, penalties and interest on an assessment or reassessment, an
expense of collection, and reasonable attorney's fees incurred by the
district:

(1) are a first and prior lien against the property
assessed;
(2) are superior to any other lien or claim other than a
lien or claim for county, school district, or municipal ad valorem
taxes; and
(3) are the personal liability of and a charge against the
owners of the property even if the owners are not named in the
assessment proceedings.

(b) The lien is effective from the date of the board's
resolution imposing the assessment until the date the assessment is
paid. The board may enforce the lien in the same manner that the
board may enforce an ad valorem tax lien against real property.

(c) The board may make a correction to or deletion from the
assessment roll that does not increase the amount of assessment of
any parcel of land without providing notice and holding a hearing in
the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 680 (S.B. 2298), Sec. 3, eff.
June 12, 2017.

Sec. 8475.255. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS. The
district may not impose an assessment on the property, including the
equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as
defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001,
Utilities Code;
(3) a telecommunications provider as defined by Section
51.002, Utilities Code; or
(4) a person who provides to the public cable television or
advanced telecommunications services.

Added by Acts 2017, 85th Leg., R.S., Ch. 680 (S.B. 2298), Sec. 3, eff.
June 12, 2017.

CHAPTER 8476. LASALLE MUNICIPAL UTILITY DISTRICT NO. 5
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8476.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the LaSalle Municipal Utility District No. 5.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

Sec. 8476.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

Sec. 8476.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

Sec. 8476.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8476.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

Sec. 8476.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

Sec. 8476.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8476.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8476.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.
Sec. 8476.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Jack Wilhelm;
(2) David Tuckfield;
(3) Jon Cobb;
(4) Bob Ruggio; and
(5) Adam Van Ackeren.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8476.003; or
(2) the fourth anniversary of the effective date of their designation.

(c) If permanent directors have not been elected under Section 8476.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8476.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 681 (S.B. 2299), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8476.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff.
Sec. 8476.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

Sec. 8476.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, and Section 53.029(c), Water Code, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

Sec. 8476.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.
Sec. 8476.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8476.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8476.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

Sec. 8476.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8476.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.
Sec. 8476.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8476.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Except as provided by Subsection (b), the district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds payable wholly or partly from assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 681 (S.B. 2299), Sec. 2, eff. June 12, 2017.

Sec. 8476.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.
Sec. 8476.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 503 (S.B. 1903), Sec. 1, eff. June 14, 2013.

SUBCHAPTER F. ASSESSMENTS; APPLICABILITY OF ASSESSMENTS

Sec. 8476.251. PETITION REQUIRED FOR FINANCING IMPROVEMENTS AND RECREATIONAL FACILITIES WITH ASSESSMENTS. (a) Except as provided by this subchapter, the board may finance the construction or maintenance of a recreational facility or improvement with assessments on property under this subchapter only if:

(1) a written petition requesting that facility or improvement has been filed with the board; and

(2) the board holds a hearing on the proposed assessments.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2017, 85th Leg., R.S., Ch. 681 (S.B. 2299), Sec. 3, eff. June 12, 2017.

Sec. 8476.252. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE. An improvement or recreational facility project may include the planning, design, construction, improvement, and maintenance of:

(1) landscaping;
(2) marinas and bridges;
(3) lighting, banners, and signs;
(4) hiking and cycling paths or trails;
(5) sidewalks, pedestrian walkways, skywalks, crosswalks, or tunnels;
(6) ponds, lakes, recreational facilities, or scenic areas;
(7) plazas or pedestrian malls;
(8) drainage or navigation improvements; or
solid waste, water, sewer, or power facilities, including electrical and gas power facilities.

Added by Acts 2017, 85th Leg., R.S., Ch. 681 (S.B. 2299), Sec. 3, eff. June 12, 2017.

Sec. 8476.253. METHOD OF NOTICE FOR HEARING. The district shall mail notice of the hearing to each property owner in the district who will be subject to the assessment at the current address to be assessed as reflected on the tax rolls. The district may mail the notice by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2017, 85th Leg., R.S., Ch. 681 (S.B. 2299), Sec. 3, eff. June 12, 2017.

Sec. 8476.254. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) An assessment or a reassessment imposed under this subchapter by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(b) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(c) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2017, 85th Leg., R.S., Ch. 681 (S.B. 2299), Sec. 3, eff.
Sec. 8476.255. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS. The district may not impose an assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2017, 85th Leg., R.S., Ch. 681 (S.B. 2299), Sec. 3, eff. June 12, 2017.

For contingent expiration of this chapter, see Section 8477.004.

CHAPTER 8477. CASCADES MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8477.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Cascades Municipal Utility District No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

Sec. 8477.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.
Sec. 8477.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect permanent directors as provided by Section 49.102, Water Code, and this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

Sec. 8477.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 8477.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) If a municipality in whose extraterritorial jurisdiction the district is located does not consent to the creation of the district or if the district does not enter into an agreement required by the terms of the municipal ordinance or resolution consenting to the creation of the district under this section before September 1, 2014:

(1) the district is dissolved September 1, 2014, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to the municipality or another local governmental entity to be used for a public purpose; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

Sec. 8477.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

Sec. 8477.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8477.051. GOVERNING BODY; TERMS. (a) Except as provided by Subsection (b), the district is governed by a board of elected directors qualified to serve under Section 54.102, Water Code.

(b) If required under the terms of the agreement, ordinance, or resolution by which a municipality consents to the creation of the district, the board consists of:

(1) four elected directors qualified to serve under Section 54.102, Water Code; and

(2) one director appointed by the governing body of the municipality who:

(A) may be a member or other officer of the governing body or an employee of the municipality; and

(B) is not required to be a qualified voter of the
district or own land subject to taxation in the district.

(c) The common law doctrine of incompatibility does not disqualify a member or other officer of the governing body or employee of the municipality from being appointed a director by the governing body of a municipality under Subsection (b)(2), and a director appointed to the board may continue to serve in a public office of or be employed by the municipality.

(d) Except as provided by Section 8477.052, directors serve staggered four-year terms. A permanent director may not serve more than two four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

Sec. 8477.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) John R. C. Munn;
(2) George Roman;
(3) Allen Gallia;
(4) Donna Morgan; and
(5) Charlotte Vick.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8477.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8477.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8477.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons...
named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8477.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

Sec. 8477.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

Sec. 8477.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.
Sec. 8477.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8477.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

Sec. 8477.105. COMPLIANCE WITH AND ENFORCEABILITY OF MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Any agreement between the district and a municipality related to the municipality's consent to the creation of the district is valid and enforceable.

(c) On the issuance of bonds by the district, the district is considered to have waived sovereign immunity to suit by a municipality for the purpose of adjudicating a claim for breach of an agreement described by this section.

(d) The district and a municipality may contract on terms that the board and governing body of the municipality agree will further regional cooperation between the district and the municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

Sec. 8477.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.
Sec. 8477.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8477.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8477.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8477.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) If required by an agreement between the district and a municipality under Section 8477.105, the total ad valorem tax rate of the district may not be less than the total ad valorem tax rate of the municipality.

Sec. 8477.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the...
tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

### SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8477.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

Sec. 8477.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

Sec. 8477.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.
SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL ANNEXATION AND NOTICE

Sec. 8477.301. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.

(b) The strategic partnership agreement may provide for a term of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1385 (S.B. 1867), Sec. 1, eff. June 14, 2013.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 347, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8477.302. MUNICIPAL ANNEXATION; NOTICE. (a) Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8477.004.

(b) Not later than the 30th day after the date a municipality adopts a resolution or ordinance consenting to the creation of the district, the municipality shall file, in the real property records of the county in which the land to be included in the district is located, a notice to purchasers of real property in the district that describes:

1. the municipality's authority and intention to annex the district; and

2. the anticipated date of the annexation.

(c) After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must include the information contained in the municipality's notice in the Notice to Purchasers required by Section 49.452, Water Code.
CHAPTER 8478.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 213-A

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8478.001.  DEFINITIONS.  In this chapter:
(1)  "Board" means the district's board of directors.
(2)  "Commission" means the Texas Commission on Environmental Quality.
(3)  "Director" means a board member.
(4)  "District" means the Harris County Municipal Utility District No. 213-A.

Sec. 8478.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8478.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8478.004.  CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8478.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 8478.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 3 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 3 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.007. ANNEXATION BY MUNICIPALITY. Notwithstanding any other law, if all of the territory of the district is annexed by a municipality into the corporate limits of that municipality before the date of the election under Section 8478.003, the district may not be dissolved and shall continue until the district is dissolved under
Section 43.074, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8478.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8478.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) William K. Taylor;

(2) James Coursey; and

(3) Jacob Saour.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8478.003; or

(2) September 1, 2017.

(c) If permanent directors have not been elected under Section 8478.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8478.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8478.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project
must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8478.151. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.153. LIMITATION ON AREA OF NEW DISTRICT. A new
district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 3 of the Act enacting this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.154. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.
(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8478.003 to confirm the district's creation.
(c) An order dividing the district must:
(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between the new districts.
(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8478.003.
(b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.
Sec. 8478.156. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8478.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8478.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8478.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.203. CONTRACT TAXES. (a) In accordance with Section
49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

**SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS**

Sec. 8478.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff. September 1, 2013.

Sec. 8478.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 2, eff.
CHAPTER 8479.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 213-B

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8479.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility District No. 213-B.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 8479.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 8479.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8479.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 5 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 5 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Sec. 8479.007. ANNEXATION BY MUNICIPALITY. Notwithstanding any other law, if all of the territory of the district is annexed by a municipality into the corporate limits of that municipality before the date of the election under Section 8479.003, the district may not be dissolved and shall continue until the district is dissolved under

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Sec. 8479.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8479.052, directors serve staggered four-year terms.

Sec. 8479.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2013, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 8479.003; or


(c) If permanent directors have not been elected under Section 8479.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8479.003; or

2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8479.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8479.151. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.
Sec. 8479.153. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 5 of the Act enacting this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.154. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8479.003 to confirm the district's creation.

(c) An order dividing the district must:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between the new districts.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8479.003.

(b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.
Sec. 8479.156. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8479.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8479.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8479.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.
Sec. 8479.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8479.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding.

Added by Acts 2013, 83rd Leg., R.S., Ch. 385 (H.B. 3925), Sec. 4, eff. September 1, 2013.

Sec. 8479.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
CHAPTER 8480.  FULSHEAR MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8480.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fulshear Municipal Utility District No. 2.

Sec. 8480.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8480.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8480.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 8480.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 8480.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8480.006. INITIAL DISTRICT TERRITORY.  (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Sec. 8480.051. GOVERNING BODY; TERMS.  (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8480.052, directors serve staggered four-year terms.
Sec. 8480.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2013, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8480.003; or

(2) September 1, 2017.

(c) If permanent directors have not been elected under Section 8480.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8480.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 497 (S.B. 1843), Sec. 1, eff. September 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8480.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 497 (S.B. 1843), Sec. 1, eff.
Sec. 8480.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 497 (S.B. 1843), Sec. 1, eff. September 1, 2013.

Sec. 8480.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 497 (S.B. 1843), Sec. 1, eff. September 1, 2013.

Sec. 8480.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 497 (S.B. 1843), Sec. 1, eff. September 1, 2013.
Sec. 8480.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district. (b) Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 497 (S.B. 1843), Sec. 1, eff. September 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8480.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8480.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 497 (S.B. 1843), Sec. 1, eff. September 1, 2013.

Sec. 8480.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8480.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 497 (S.B. 1843), Sec. 1, eff. September 1, 2013.
Sec. 8480.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 497 (S.B. 1843), Sec. 1, eff. September 1, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8480.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 497 (S.B. 1843), Sec. 1, eff. September 1, 2013.

Sec. 8480.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 497 (S.B. 1843), Sec. 1, eff. September 1, 2013.

Sec. 8480.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
CHAPTER 8481. WEST TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8481.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the West Travis County Municipal Utility District No. 5.

Sec. 8481.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Travis County created under Section 59, Article XVI, Texas Constitution.

Sec. 8481.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8481.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1214, Acts of the 71st Legislature, Regular Session, 1989, as that territory may have been modified under:
(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8481.005. APPLICATION OF CONDITIONS TO CREATION. The enactment of Chapter 1214, Acts of the 71st Legislature, Regular Session, 1989, did not affect conditions to the consent of the creation of the district imposed by any jurisdiction in which the district is located.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8481.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8481.101. GENERAL POWERS AND DUTIES. (a) The district has the rights, powers, privileges, functions, and duties:
(1) provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code;
(2) relating to a road district or road utility district
created under Section 52, Article III, Texas Constitution; and
    (3) relating to a supply and distribution facility or
system in order to provide potable and nonpotable water to the
residents and businesses of Travis and Hays Counties.
    (b) Notwithstanding Subsections (a)(2) and (3), the district
may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04,
eff. April 1, 2017.

CHAPTER 8482. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 12
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8482.001. DEFINITIONS. In this chapter:
    (1) "Board" means the board of directors of the district.
    (2) "Director" means a member of the board.
    (3) "District" means the Williamson County Municipal
Utility District No. 12.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04,
eff. April 1, 2017.

Sec. 8482.002. NATURE OF DISTRICT. (a) The district is a
municipal utility district in Williamson County created under Section
59, Article XVI, Texas Constitution.
    (b) The district is a political subdivision of this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04,
eff. April 1, 2017.

Sec. 8482.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The district is created to serve a public use and benefit.
    (b) All land and other property included in the district will
benefit from the works and projects accomplished by the district
under powers conferred by Section 59, Article XVI, Texas
Constitution.
    (c) The creation of the district is essential to accomplish the
purposes of Section 59, Article XVI, Texas Constitution.
Sec. 8482.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 761, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or the board.

Sec. 8482.005. ADDITION OR EXCLUSION OF DISTRICT TERRITORY; MUNICIPAL CONSENT NOT REQUIRED. The district may add or exclude land in the manner provided by Chapters 49 and 54, Water Code, without the consent of any municipality.

Sec. 8482.006. PROHIBITION AGAINST IMPAIRMENT OF DISTRICT. A municipality in whose extraterritorial jurisdiction the district is located may not take any action, including adopting an ordinance or resolution, that:

(1) impairs the district's ability to exercise the district's powers under this chapter; or
(2) limits the district's ability to finance, construct, or operate the district's water, wastewater, or drainage systems.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8482.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8482.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by general law, including Chapters 49 and 54, Water Code, applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER D. ANNEXATION BY MUNICIPALITY

Sec. 8482.151. ANNEXATION BY MUNICIPALITY. A municipality may annex the district on the earlier of:

(1) the date of installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to:
   (A) provide service to the proposed development in the district;
   (B) accomplish the purposes for which the district was created; and
   (C) exercise the powers provided by general law and this chapter; or
   (2) the 20th anniversary of the date the district was confirmed.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.
Sec. 8482.152. DUTIES OF MUNICIPALITY AFTER ANNEXATION. If a municipality in whose extraterritorial jurisdiction the district is located annexes the district for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall:

(1) simultaneously with the annexation, pay in cash to the landowner or developer of the district a sum equal to all actual costs and expenses incurred by the landowner or developer in connection with the district that:
   (A) the district has agreed in writing to pay; and
   (B) would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the Texas Commission on Environmental Quality as those rules and requirements exist on the date of annexation; and

(2) after the annexation, install all necessary water, wastewater, and drainage facilities to serve full buildout of development in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

For contingent expiration of this chapter, see Section 8483.004.

CHAPTER 8483. CHISHOLM TRAILS MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8483.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Chisholm Trails Municipal Utility District No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.
Sec. 8483.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 8483.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and

(2) entered into a development agreement with the owner or owners of a majority of the assessed value of the real property within the district.

(b) If a development agreement described by Subsection (a) has not been executed before September 1, 2016:

(1) the temporary directors may not call a confirmation election under Section 8483.003;

(2) the district is dissolved; and

(3) this chapter expires September 1, 2017.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or
improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8483.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8483.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

1. Justin Holt;
2. Jacob Percifull;
3. Matthew Scott;
4. Stephen Ganske; and
(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 8483.003; or
   (2) the fourth anniversary of the effective date of the Act enacting this chapter.
(c) If permanent directors have not been elected under Section 8483.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 8483.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8483.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff.
Sec. 8483.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.105. COMPLIANCE WITH MUNICIPAL REGULATIONS. Any water, sanitary sewer, road, drainage, or other infrastructure or public facilities constructed, acquired, improved, maintained, or operated by the district shall comply with any subdivision or other applicable regulations of any municipality in whose corporate limits or extraterritorial jurisdiction the infrastructure or public facilities are located unless other regulations are specified in a development agreement between the district and the municipality.
Sec. 8483.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 8483.107. DIVISION OF DISTRICT. (a) The original district or any lands added to the district may be divided into two or more new districts in the manner specified by Section 53.029(b), Water Code, only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district and is subject to the limitations and conditions of this chapter.

(d) At the time of creation, any new district created by the division of the district may not contain any land that is not contiguous to the area described by Section 2 of the Act enacting this chapter.

(e) A division of the district may not occur until each home-rule municipality in whose corporate limits or extraterritorial jurisdiction the district or any proposed district is located has adopted a resolution consenting to the division.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8483.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations
secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8483.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.152.  OPERATION AND MAINTENANCE TAX.  (a) If authorized at an election held under Section 8483.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.153.  CONTRACT TAXES.  (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.
Sec. 8483.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

Sec. 8483.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 833 (S.B. 1893), Sec. 1, eff. June 14, 2013.

CHAPTER 8484. KENDALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8484.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Kendall County Municipal Utility District No. 1.
Sec. 8484.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

Sec. 8484.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

Sec. 8484.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8484.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

Sec. 8484.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.
Sec. 8484.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8484.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8484.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

Sec. 8484.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

1. Michael Sedlak;
2. Austin Ruple;
3. Chris Hoegemeyer;
4. Scot Wilson; and

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 8484.003; or
2. the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section
8484.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8484.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8484.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

Sec. 8484.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

Sec. 8484.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under
Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8484.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8484.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

Sec. 8484.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8484.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

Sec. 8484.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the
board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8484.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

Sec. 8484.202. TAXES FOR BONDS. (a) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

(b) The board’s order to issue bonds and authorize an ad valorem tax must provide that the imposition of the tax ends and the district's authority to assess and collect the tax ends on the retirement of the bonds for which the tax was originally authorized unless the district voters authorize the extension or continuation of the ad valorem tax in a subsequent bond election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 828 (S.B. 1869), Sec. 1, eff. June 14, 2013.

CHAPTER 8485. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 13

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8485.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Williamson County Municipal Utility District No. 13.
Sec. 8485.002. NATURE OF DISTRICT. (a) The district is a municipal utility district in Williamson County created under Section 59, Article XVI, Texas Constitution.

(b) The district is a political subdivision of this state.

Sec. 8485.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8485.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 760, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or the board.
Sec. 8485.005. ADDITION OR EXCLUSION OF DISTRICT TERRITORY; MUNICIPAL CONSENT NOT REQUIRED. The district may add or exclude land in the manner provided by Chapters 49 and 54, Water Code, without the consent of any municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8485.006. PROHIBITION AGAINST IMPAIRMENT OF DISTRICT. A municipality in whose extraterritorial jurisdiction the district is located may not take any action, including adopting an ordinance or resolution, that:

(1) impairs the district's ability to exercise the district's powers under this chapter; or

(2) limits the district's ability to finance, construct, or operate the district's water, wastewater, or drainage systems.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8485.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8485.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by general law, including Chapters 49 and 54, Water Code, applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution.
Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

**SUBCHAPTER D. ANNEXATION BY MUNICIPALITY**

Sec. 8485.151. ANNEXATION BY MUNICIPALITY. A municipality may annex the district on the earlier of:

1. the date of installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to:
   (A) provide service to the proposed development in the district;
   (B) accomplish the purposes for which the district was created; and
   (C) exercise the powers provided by general law and this chapter; or
2. the 20th anniversary of the date the district was confirmed.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8485.152. DUTIES OF MUNICIPALITY AFTER ANNEXATION. If a municipality in whose extraterritorial jurisdiction the district is located annexes the district for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall:

1. simultaneously with the annexation, pay in cash to the landowner or developer of the district a sum equal to all actual costs and expenses incurred by the landowner or developer in connection with the district that:
   (A) the district has agreed in writing to pay; and
   (B) would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the Texas Commission on Environmental Quality as those rules and requirements exist on the date of annexation; and
2. after the annexation, install all necessary water, wastewater, and drainage facilities to serve full buildout of development in the district.
Sec. 8486.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Williamson County Water, Sewer, Irrigation, and Drainage District No. 3.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8486.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Williamson County, created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8486.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8486.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 650, Acts of the 70th Legislature, Regular Session, 1987, as that territory may
have been modified under:

(1) Subchapter H, Chapter 54, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to impose a tax; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8486.051. COMPOSITION OF BOARD. The district is governed by a board of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8486.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8486.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, duties, and functions provided by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49, 50, and 54, Water Code.
Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

CHAPTER 8487. FULSHEAR MUNICIPAL UTILITY DISTRICT NO. 3
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8487.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fulshear Municipal Utility District No. 3.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

Sec. 8487.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

Sec. 8487.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

Sec. 8487.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8487.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 8487.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.  
(b) The district is created to accomplish the purposes of:  
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and  
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8487.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.  
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:  
(1) organization, existence, or validity;  
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;  
(3) right to impose a tax; or  
(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS  
Sec. 8487.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.  
(b) Except as provided by Section 8487.052, directors serve staggered four-year terms.
Sec. 8487.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2013, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 8487.003; or

(c) If permanent directors have not been elected under Section 8487.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8487.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8487.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1,
Sec. 8487.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

Sec. 8487.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

Sec. 8487.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.
Sec. 8487.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

Sec. 8487.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt; and
(2) the district is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8487.151 to authorize the district's bonds.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district
shall hold a confirmation and directors' election as required by Section 8487.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8487.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

1. revenue other than ad valorem taxes; or
2. contract payments described by Section 8487.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

Sec. 8487.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8487.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1,
Sec. 8487.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8487.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

Sec. 8487.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1, eff. September 1, 2013.

Sec. 8487.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations
issued or incurred to finance road projects and payable from ad
valorem taxes may not exceed one-fourth of the assessed value of the
real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1250 (S.B. 1910), Sec. 1,
eff. September 1, 2013.

CHAPTER 8488.  HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8488.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on
Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Harris County Municipal Utility
District No. 537.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1,
eff. September 1, 2013.

Sec. 8488.002.  NATURE OF DISTRICT.  The district is a municipal
utility district created under Section 59, Article XVI, Texas
Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1,
eff. September 1, 2013.

Sec. 8488.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the
creation of the district and to elect five permanent directors as
provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1,
eff. September 1, 2013.

Sec. 8488.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary
directors may not hold an election under Section 8488.003 until each
municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

Sec. 8488.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

Sec. 8488.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter. (b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8488.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8488.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

Sec. 8488.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Michael Keegan;
(2) Russ Bynum;
(3) Denise Traylor;
(4) Darryl Robinson; and
(5) Deborah Yahner.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8488.003; or
(2) September 1, 2017.
(c) If permanent directors have not been elected under Section 8488.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8488.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.
Sec. 8488.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

Sec. 8488.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

Sec. 8488.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

Sec. 8488.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8488.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the
plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

Sec. 8488.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

Sec. 8488.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8488.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8488.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8488.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

Sec. 8488.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8488.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

Sec. 8488.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8488.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 8488.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

Sec. 8488.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1123 (H.B. 3943), Sec. 1, eff. September 1, 2013.

CHAPTER 8489. COMAL COUNTY WATER IMPROVEMENT DISTRICT NO. 3
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8489.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Comal County Water Improvement District No. 3.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas
Sec. 8489.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.
The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.004. CONSENT OF MUNICIPALITY AND DEVELOPMENT AGREEMENT REQUIRED. (a) The temporary directors may not hold an election under Section 8489.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and

(2) entered into a development agreement under Section 212.172, Local Government Code, with the retail public utility owned by the municipality that addresses water and wastewater issues and with the owners of land in the district that addresses relevant issues, including:

(A) the provision of services other than water or wastewater services to land in the district, including emergency services and solid waste collection;

(B) traffic and roadway impacts caused by the creation of the district;

(C) the amount of debt to be issued by the district or any new district created by the division of the district;

(D) a plan for dividing the district, including the number, location, and size of any new districts created by the division of the district;

(E) fire flow;

(F) a prohibition against a retail public utility, as defined by Section 13.002, Water Code, other than the retail public utility owned by the municipality, from providing retail water or
wastewater service to the property in the district or a new district created by the division of the district except with respect to any lands in the district or a new district created by division of the district that are included within the certificated service territory of another retail public utility, as defined by a certificate of public convenience and necessity;

(G) an agreement to comply with the municipality's most current building codes and ordinances, public health and safety codes and ordinances, and environmental regulation codes and ordinances; and

(H) an agreement to comply with the municipality's most current land use regulations.

(b) The development agreement may not contain a provision prohibited by Section 212.174, Local Government Code, in relation to the provision of utility service.

(c) A confirmation election held in violation of this section is void.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8489.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Except as provided by Section 8489.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
   (1) William McLean;
   (2) Michael Morrill;
   (3) Lance Sallis;
   (4) Noah Shaffer; and
   (5) Stephen Delgado.
   (b) Temporary directors serve until the earlier of:
       (1) the date permanent directors are elected under Section 8489.003; or
       (2) the fourth anniversary of the effective date of the Act enacting this chapter.
   (c) If permanent directors have not been elected under Section 8489.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
       (1) the date permanent directors are elected under Section
8489.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8489.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1,
Sec. 8489.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.105. WATER AND WASTEWATER INFRASTRUCTURE. (a) The district may not construct a water or wastewater facility unless any municipality in whose corporate limits or extraterritorial jurisdiction the facility is located at the time of construction has approved the plans and specifications of the facility.

(b) On completion of a water or wastewater facility described in a development agreement between the district and a municipality, the district shall convey the facility to the municipality or to the retail public utility owned by the municipality, free of all liens, claims, or encumbrances, in the form and manner acceptable to the municipality or retail public utility.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION AND DEVELOPMENT AGREEMENT. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that
consents to the creation of the district or to the inclusion of land in the district.

(b) Notwithstanding other law, a municipality may place a condition or restriction on the creation of the district or inclusion of land in the district that is:

(1) expressly permitted by Sections 54.016(e) and (i), Water Code; or

(2) contained in the development agreement entered into under Section 212.172, Local Government Code, and this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8489.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an
order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8489.003.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8489.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.108. LIMITATION ON ANNEXATION OF LAND BY DISTRICT. The district or any new district created by the division of the district may not annex land outside the area described by Section 2 of the Act enacting this chapter without the consent of each municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act enacting this chapter is located.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.109. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT. For the purposes of Section 43.003(2), Local Government Code, or other law, including a municipal charter or ordinance relating to annexation, an area adjacent to the district or any new district created by the division of the district is considered adjacent to a municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act enacting this chapter is located.
Sec. 8489.110. LIMITS ON DISTRICT SERVICES. Inside the corporate limits or extraterritorial jurisdiction of a municipality, the district may not provide without the municipality's consent:

(1) solid waste collection, treatment, or disposal services; or

(2) fire protection services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8489.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8489.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8489.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

Sec. 8489.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.
Sec. 8489.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1122 (H.B. 3941), Sec. 1, eff. June 14, 2013.

CHAPTER 8492. COTTON CENTER MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8492.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Cotton Center Municipal Utility District No. 1.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.
Sec. 8492.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8492.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
   (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
   (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.
Sec. 8492.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors. (b) Except as provided by Section 8492.052, directors serve staggered four-year terms.

Sec. 8492.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Angela Fulcher;
(2) Julie Dolby Casner;
(3) Laurie Gosda;
(4) Sandra Wood; and
(5) Cheri D. Hisaw.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8492.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8492.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8492.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8492.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8492.151. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the district:

(1) has never issued any bonds; and
(2) is not imposing ad valorem taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.
Sec. 8492.153. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.154. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8492.003 to confirm the district's creation.

(c) An order dividing the district must:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between the new districts.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8492.003.

(b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.
Sec. 8492.156. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.157. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8492.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8492.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8492.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.
Sec. 8492.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8492.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code. (b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose. (b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8492.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided
by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

Sec. 8492.253.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 269 (H.B. 1372), Sec. 1, eff. June 1, 2015.

CHAPTER 8493.  BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8493.001.  DEFINITIONS.  In this chapter:

(1)  "Board" means the district's board of directors.

(2)  "Commission" means the Texas Commission on Environmental Quality.

(3)  "Director" means a board member.

(4)  "District" means the Brazoria County Municipal Utility District No. 68.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.002.  NATURE OF DISTRICT.  The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as
provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.006. CONSENT OF MUNICIPALITY. Municipal consent to the creation of the district acts as municipal consent to the creation of any new district created by the division of the district
Sec. 8493.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five elected directors.
(b) Except as provided by Section 8493.052, directors serve
staggered four-year terms.

Sec. 8493.052. TEMPORARY DIRECTORS. (a) On or after the
effective date of the Act enacting this chapter, the owner or owners
of a majority of the assessed value of the real property in the
district may submit a petition to the commission requesting that the
commission appoint as temporary directors the five persons named in
the petition. The commission shall appoint as temporary directors
the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section
8493.003; or
(2) the fourth anniversary of the effective date of the Act
enacting this chapter.
(c) If permanent directors have not been elected under Section
8493.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section
8493.003; or
(2) the fourth anniversary of the date of the appointment
or reappointment.
(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons
named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8493.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.103. LEVEE IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapter 57, Water Code, applicable to levee improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements,
including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt; and

(2) the district is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.
(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8493.003 to confirm the creation of the district.

(f) An order dividing the district shall:

1. name each new district;
2. include the metes and bounds description of the territory of each new district;
3. appoint temporary directors for each new district; and
4. provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8493.003.

(i) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8493.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations
secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8493.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8493.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.
Sec. 8493.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

Sec. 8493.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 135 (H.B. 3081), Sec. 1, eff. May 28, 2015.

CHAPTER 8494. FULSHEAR MUNICIPAL UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8494.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fulshear Municipal Utility District No. 4.
Sec. 8494.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01, eff. September 1, 2015.

Sec. 8494.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01, eff. September 1, 2015.

Sec. 8494.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8494.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01, eff. September 1, 2015.

Sec. 8494.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 8494.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2.01 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2.01 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Sec. 8494.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8494.052, directors serve staggered four-year terms.

Sec. 8494.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2015, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of the date permanent directors are elected under Section 8494.003 or September
1, 2019.

(c) If permanent directors have not been elected under Section 8494.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8494.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01, eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8494.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01, eff. September 1, 2015.

Sec. 8494.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01, eff. September 1, 2015.

Sec. 8494.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52,
Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01, eff. September 1, 2015.

Sec. 8494.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01, eff. September 1, 2015.

Sec. 8494.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) Except as provided by this section, the district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01, eff. September 1, 2015.
Sec. 8494.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8494.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01, eff. September 1, 2015.

Sec. 8494.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8494.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01, eff. September 1, 2015.

Sec. 8494.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.01,
The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8494.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8494.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 8495.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fulshear Municipal Utility District No. 5.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8495.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2.02 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2.02 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.007. ANNEXATION BY MUNICIPALITY. (a) Notwithstanding any other law, if all of the territory of the district is annexed by a municipality into the corporate limits of that municipality before the date of the election under Section 8495.003, the district may not be dissolved and shall continue until the district is dissolved under Section 43.074, Local Government Code.

(b) Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8495.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8495.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2015, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8495.003; or

(2) September 1, 2019.

(c) If permanent directors have not been elected under Section 8495.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8495.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8495.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.103. LEVEE IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapter 57, Water Code, applicable to levee improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads inside or outside the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.
Sec. 8495.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8495.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8495.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8495.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8495.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.
Sec. 8495.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

Sec. 8495.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.02, eff. September 1, 2015.

CHAPTER 8496. FULSHEAR MUNICIPAL UTILITY DISTRICT NO. 6

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8496.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Fulshear Municipal Utility District No. 6.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

Sec. 8496.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.
Sec. 8496.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

Sec. 8496.004. CONSENT OF MUNICIPALITY AND DEVELOPMENT AGREEMENT REQUIRED. The temporary directors may not hold an election under Section 8496.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and

(2) entered into a development agreement under Section 212.172, Local Government Code, with the owners of the land described by Section 2.03 of the Act enacting this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

Sec. 8496.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

Sec. 8496.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2.03 of
the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2.03 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

Sec. 8496.007. ANNEXATION BY MUNICIPALITY. (a) Notwithstanding any other law, if all of the territory of the district is annexed by a municipality into the corporate limits of that municipality before the date of the election under Section 8496.003, the district may not be dissolved and shall continue until the district is dissolved under Section 43.074, Local Government Code.

(b) Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8496.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8496.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

Sec. 8496.052. TEMPORARY DIRECTORS. (a) On or after September
1, 2015, the owner or owners of a majority of the assessed value of
the real property in the district may submit a petition to the
commission requesting that the commission appoint as temporary
directors the five persons named in the petition. The commission
shall appoint as temporary directors the five persons named in the
petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section
8496.003; or
(2) September 1, 2019.
(c) If permanent directors have not been elected under Section
8496.003 and the terms of the temporary directors have expired,
successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section
8496.003; or
(2) the fourth anniversary of the date of the appointment
or reappointment.
(d) If Subsection (c) applies, the owner or owners of a
majority of the assessed value of the real property in the district
may submit a petition to the commission requesting that the
commission appoint as successor temporary directors the five persons
named in the petition. The commission shall appoint as successor
temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03,
eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8496.101. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03,
eff. September 1, 2015.

Sec. 8496.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.
The district has the powers and duties provided by the general law of
Sec. 8496.103. LEVEE IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapter 57, Water Code, applicable to levee improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

Sec. 8496.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads inside or outside the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

Sec. 8496.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas
Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

Sec. 8496.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8496.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8496.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

Sec. 8496.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8496.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
Sec. 8496.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8496.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

Sec. 8496.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.
Sec. 8496.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 866 (H.B. 2091), Sec. 1.03, eff. September 1, 2015.

CHAPTER 8498. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 145
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8498.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Montgomery County Municipal Utility District No. 145.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.
Sec. 8498.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8498.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8498.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8498.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2015, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8498.003; or

(2) September 1, 2019.

(c) If permanent directors have not been elected under Section 8498.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8498.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8498.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road
project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8498.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8498.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8498.151, the district may impose an operation and maintenance tax on taxable property in
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8498.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

Sec. 8498.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff.
Sec. 8498.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 650 (H.B. 1074), Sec. 1, eff. September 1, 2015.

CHAPTER 8500.  WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8500.001.  DEFINITION.  In this chapter, "district" means the Williamson County Municipal Utility District No. 23.

Added by Acts 2015, 84th Leg., R.S., Ch. 483 (H.B. 1111), Sec. 1, eff. June 16, 2015.

Sec. 8500.002.  NATURE AND PURPOSES OF DISTRICT.  (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 483 (H.B. 1111), Sec. 1, eff. June 16, 2015.

SUBCHAPTER B.  POWERS AND DUTIES

Sec. 8500.051.  GENERAL POWERS AND DUTIES.  The district has the powers and duties necessary to accomplish the purposes for which the
district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 483 (H.B. 1111), Sec. 1, eff. June 16, 2015.

Sec. 8500.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 483 (H.B. 1111), Sec. 1, eff. June 16, 2015.

Sec. 8500.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 483 (H.B. 1111), Sec. 1, eff. June 16, 2015.

Sec. 8500.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 8500.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8500.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 8500.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board of directors of the district shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Authority.

(2) "Board" means the board of directors of the authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 619, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8501.0015. APPLICATION OF SUNSET ACT. (a) The authority is subject to review under Chapter 325, Government Code (Texas Sunset Act), but may not be abolished under that chapter. The review shall be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2023, and every 12th year after that year.

(b) The authority shall pay the cost incurred by the Sunset Advisory Commission in performing the review. The Sunset Advisory Commission shall determine the cost, and the authority shall pay the amount promptly on receipt of a statement from the Sunset Advisory Commission detailing the cost.

Added by Acts 2015, 84th Leg., R.S., Ch. 1148 (S.B. 523), Sec. 2, eff. June 19, 2015.

Sec. 8501.002. WATER RIGHTS NOT AFFECTED. This chapter does not affect any existing rights, or existing priorities in the rights, to water from the source of supply. The formation of the authority or a contract for the purchase of water with the authority is not an abandonment or waiver of those rights or priorities and is not an abandonment of the original point of diversion from the source of supply. All those rights existing at the time of the formation of the authority are preserved.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.003. REGULAR OFFICE OF AUTHORITY. A regular office shall be established and maintained for conducting authority business within the authority's territory.
Sec. 8501.004. RECORDS. (a) The secretary-treasurer of the board shall keep a record of all proceedings and all orders of the board.

(b) The records of the authority are subject to public inspection.

Sec. 8501.005. LIBERAL CONSTRUCTION. This chapter shall be liberally construed to effectuate its purposes.

SUBCHAPTER B. NATURE AND TERRITORY

Sec. 8501.051. CREATION AND NATURE OF AUTHORITY. The Angelina and Neches River Authority is created as a conservation and reclamation district.

Sec. 8501.052. TERRITORY. (a) The authority is composed of the territory described by Section 3, Chapter 97, General Laws, Acts of the 44th Legislature, Regular Session, 1935, as amended by the relevant part of Section 1, Chapter 394, Acts of the 65th Legislature, Regular Session, 1977.

(b) The authority's territory also may have been modified under other law.

SUBCHAPTER C. BOARD OF DIRECTORS AND EMPLOYEES

Sec. 8501.101. MEMBERSHIP OF BOARD. (a) The board consists of nine directors appointed by the governor with the advice and consent of the senate.
(b) Each director must be a freehold property taxpayer and a qualified voter of the state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.102. TERMS. Directors are appointed for staggered terms of six years with one-third of the directors' terms expiring every two years.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.103. VACANCY. (a) A vacancy on the board shall be filled by appointment by the governor with the advice and consent of the senate.
(b) A person appointed to a vacant position serves for the unexpired part of the term.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.104. OATH AND BOND REQUIREMENT FOR DIRECTOR. (a) A director shall, within 15 days after the date of appointment, qualify by taking the constitutional oath of office and by filing a good and sufficient bond with the secretary of state.
(b) The bond is subject to approval by the secretary of state and must:
(1) be in the amount of $1,000;
(2) be payable to the authority; and
(3) be conditioned on the faithful performance of the duties as a director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.105. COMPENSATION OF DIRECTORS. Unless the board by resolution increases the fee of office to an amount authorized by Section 49.060, Water Code, a director shall receive as a fee of office an amount not to exceed $10 for each day of service necessary to discharge the director's duties, if the board votes to authorize
Sec. 8501.106. QUORUM RELATING TO CONSTRUCTION MATTERS. The concurrence of five directors is required for entering into a construction contract or for authorizing the issuance of a warrant to pay for a construction contract.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.107. OFFICERS. (a) The board shall elect one of the directors as president of the board, one as vice president, and one as secretary-treasurer.

(b) The president is the chief executive officer of the authority.

(c) The vice president shall act as president if the president is absent or disabled.

(d) The secretary-treasurer shall act as a secretary of the board. The board shall select a secretary pro tem if the secretary-treasurer is absent or unable to act.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.108. MEETINGS. (a) The president shall preside at all meetings of the board.

(b) The board shall set, by order entered in the minutes of its proceedings, a specified time for the regular meetings of the board. The board shall meet for a specific occasion if called by order of the president, vice president, or a majority of the directors.

(c) The board shall hold its meetings at its office and principal place of business unless the board directs otherwise for a specific occasion.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.109. EMPLOYMENT PREFERENCE. (a) The authority and
each contractor who employs labor for the construction of an improvement for the authority shall give a preference to the employment of:

(1) persons who are on relief rolls or otherwise unemployed and who are able to efficiently provide the proper service in the various classifications of labor under which they are to be employed; and

(2) if there are not sufficient persons who are qualified under Subdivision (1), qualified workers who reside in the locality where the improvement is to be constructed.

(b) The persons to whom the preference applies include persons required for office or clerical work but do not include the key workers of the authority or contractor.

(c) Each contract expressly entered into under this chapter by the authority with a contractor must expressly impose on the contractor the duty to give the preference provided by this section.

(d) To the extent this section conflicts with the requirements of a federal agency providing funds for the authority, the requirements of the federal agency control.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.110. REMOVAL OF EMPLOYEE. An employee of the authority may be removed by the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.111. COMPENSATION OF EMPLOYEES. The board shall set the reasonable compensation to be paid to the general manager and other employees of the authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.112. DIRECTOR'S, OFFICER'S, OR EMPLOYEE'S SURETY BOND. A bond required to be given by a director, officer, or employee of the authority must be executed by a surety company authorized to do business in this state, as surety on the bond.
Sec. 8501.113. CONFLICT OF INTEREST; CRIMINAL PENALTY. (a) A director or an engineer or employee of the authority may not be directly or indirectly interested, personally or as an agent for another person, in a contract for the purchase or construction of any work by the authority.

(b) A person commits an offense if the person violates this section. An offense under this subsection is a misdemeanor punishable by a fine not to exceed $1,000, by confinement in the county jail for not less than six months or more than one year, or by both the fine and confinement.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8501.151. POWERS UNDER CONSTITUTION AND OTHER LAW. The authority has the powers of a conservation and reclamation district under the constitution and other laws of this state, including the powers:

(1) expressly authorized in Section 59, Article XVI, Texas Constitution, for a district created to conserve, store, control, preserve, use, and distribute the storm water and floodwater and the water of the rivers and streams of the state;

(2) implied by the purposes of that section of the constitution; and

(3) given by general law.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.152. APPLICABILITY OF WATER CODE. The rights, powers, privileges, and functions granted to the authority, and the authority itself, are expressly subject to Chapters 11, 12, 26, and 49, Water Code, as applicable.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 8501.153. STATE SUPERVISION AND APPROVAL. (a) The Texas Commission on Environmental Quality shall consider the adequacy of, and decide whether to approve, any flood control or conservation improvement plan that:

(1) is devised by the authority to achieve a plan or purpose for which the authority is created; and

(2) contemplates improvements that are to be supervised by the commission under general law.

(b) Before the authority establishes a diversion point or constructs a canal, pumping plant, or other work under this chapter, the authority must:

(1) present the plans and specifications for the project to the Texas Commission on Environmental Quality; and

(2) obtain the approval of the commission.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.154. GENERAL POWERS RELATING TO WATER. (a) The authority has the rights and powers of an independent conservation and reclamation district to construct, maintain, and operate in the valleys of the Neches River and its tributaries, inside or outside the authority, any work considered essential:

(1) to the operation of the authority; and

(2) for the authority's administration in the control, storage, preservation, and distribution to all useful purposes of the water, including storm water and floodwater, of the Neches River and its tributaries.

(b) The authority has the same power of control and regulation over the waters of the Neches River and its tributaries that the state has, subject to the constitution and statutes of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.155. POWERS RELATING TO PARTICULAR PURPOSES. For the conservation and beneficial use of the water of the Neches River and its tributaries, including storm water and floodwater, the authority may control and use the water in the manner and for a particular purpose described by Section 8501.156, 8501.157, 8501.158, 8501.159, 8501.160, or 8501.161.
Sec. 8501.156. POWERS RELATING TO FLOODING. In acting under Section 8501.155, the authority may:

(1) prevent the devastation of land from recurrent overflows;

(2) protect life and property in the authority from uncontrolled floodwater; and

(3) encourage the conservation of soil to prevent destructive erosion and to prevent the increased flood menace related to that erosion.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.157. POWERS RELATING TO USE OF WATER IN GENERAL. In acting under Section 8501.155, the authority may:

(1) through practical means, provide for the control and coordination of the regulation of the water of the Neches River and its tributaries;

(2) by adequate organization and administration, provide for preserving the equitable rights of the people of different sections of the watershed area in the beneficial use of the water of the Neches River and its tributaries;

(3) store, control, and conserve the water of the Neches River and its tributaries inside or outside the authority and prevent the escape of that water without the maximum of public service;

(4) equitably distribute the water of the Neches River and its tributaries to meet the regional potential requirements for all uses, including domestic, manufacturing, and irrigation uses; and

(5) use controlled and conserved floodwater and storm water for any purpose that results in the performance of a useful service authorized by the constitution of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.158. POWERS RELATING TO DOMESTIC, COMMERCIAL, OR INDUSTRIAL USE OF WATER. In acting under Section 8501.155, the authority may:
(1) conserve the water of the Neches River and its tributaries essential for the domestic uses of the people of the authority, including all necessary water supplies for cities and towns;

(2) control the water of the Neches River and its tributaries and make the water available for use in the development of commercial and industrial enterprises in the entire watershed area of the authority; and

(3) control, store, and use the water of the Neches River and its tributaries in the development and distribution of hydroelectric power, if that use is economically coordinated with other superior uses and subordinated to the uses declared by law to be superior.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.159. POWERS RELATING TO USE OF WATER FOR IRRIGATION. In acting under Section 8501.155, the authority may provide for the irrigation of all land in the authority or land outside the authority but inside the authority's watershed area where the irrigation is required for agricultural purposes or is considered helpful to more profitable agricultural production.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.160. POWERS RELATING TO DRAINAGE OF WATER. In acting under Section 8501.155, the authority may:

(1) provide for the better encouragement and development of drainage systems for, and provide for the drainage of, lands in the valleys of the Neches River and its tributaries as needed for profitable agricultural production; and

(2) provide for drainage for other land in the watershed area of the authority as required for the most advantageous use of the land.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.161. POWERS RELATING TO ACQUISITION OR OPERATION OF
WORKS, LAND, OR OTHER PROPERTY. (a) In acting under Section 8501.155, the authority may:

(1) purchase or construct any work necessary or convenient for the exercise of the authority's powers under this chapter and to accomplish the purposes of this chapter; and

(2) purchase or otherwise acquire land or other property necessary or convenient for carrying out the purposes of this chapter.

(b) The plans and works provided by the authority, and the works provided under the power of the authority, shall regard primarily the necessary and potential needs for water by or within the area in the authority constituting the watershed of the Neches River and its tributaries.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.162. ADDITIONAL POWERS RELATING TO ACQUISITION OR OPERATION OF PROPERTY. (a) In this section, "property" includes a right, including a water right, and includes land and a tenement, easement, improvement, reservoir, dam, canal, lateral, plant, work, and facility.

(b) The authority may investigate, plan, acquire, construct, maintain, or operate any property the authority considers necessary or proper for the accomplishment of the purposes of the authority.

(c) The power described by Subsection (b) includes the power to acquire property inside or outside the authority that is incidental or helpful to carrying out the authority's purposes under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.163. POWERS RELATING TO CONTRACT, LEASE, AGREEMENT, OR CONVEYANCE. (a) The authority may enter into a contract, lease, or other agreement necessary or convenient to carry out a power given to the authority by this chapter.

(b) The authority may enter into the contract, lease, or agreement with any person, including:

(1) an individual or artificial entity;

(2) a corporation, including a municipal corporation and a
public or private corporation; and
(3) a government or governmental agency, including the United States and this state.

(c) The authority may:
(1) convey or cause to be conveyed any of its property to the United States; and
(2) enter into a lease, regardless of whether it includes a privilege of purchase, with the United States relating to any property and obligate the authority to pay rent under the lease from the income or other revenue of the property.

(d) A contract, lease, or agreement under this section must be approved by resolution of the board and must be executed by the president and attested by the secretary-treasurer.

(e) This section does not authorize the assumption by the authority of any obligation requiring a payment from taxes.

(f) The property to which Subsection (c) applies includes a right, land, tenement, easement, improvement, reservoir, dam, canal, plant, lateral, work, and facility.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.164. RIGHT OF EMINENT DOMAIN. (a) The authority may exercise the power of eminent domain to acquire fee simple title to, or an easement over or through, any land, water, or land under water that is necessary or convenient for carrying out any purpose or power given to the authority by this chapter. The power applies to private or public property inside or outside the authority.

(b) A condemnation proceeding is under the direction of the board and must be in the name of the authority.

(c) The assessment of damages and all procedures related to condemnation, appeal, and payment must conform to Chapter 21, Property Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.165. COORDINATION AND JOINT UNDERTAKINGS AMONG DISTRICTS. (a) A drainage, conservation, reclamation, or other district created by this state with powers provided in Section 59, Article XVI, Texas Constitution, may:
(1) coordinate its plans with the authority; and
(2) enter into joint undertakings with the authority for the purposes for which the entities are created.

(b) The acts taken under Subsection (a) must be approved by a majority of the boards of directors of all the districts involved.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.166. NO AUTHORITY FOR TAX OR SPECIAL ASSESSMENT. This chapter does not authorize the authority to impose a tax or special assessment or to create any debt payable from taxes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER E. GENERAL FINANCIAL MATTERS

Sec. 8501.201. PROCEDURE FOR PAYMENT. A warrant for the payment of money by the authority may be drawn and signed by the president and the secretary-treasurer if the account under which the payment is to be made results from a contract made by the board and is ordered paid by the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.202. RECORDS RELATING TO MONEY. The secretary-treasurer shall:

(1) receive and give a receipt for all money received by the authority; and

(2) keep records of all money received and spent by the authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.203. FILING OF AUDIT. In addition to copies of the annual audit of the authority that are filed as required by Section 49.194, Water Code, a copy shall be filed with the depository of the authority and the office of the auditor.
Sec. 8501.204. FEES. (a) The board shall prescribe fees to be collected for:

1. the use of water;
2. a water connection; or
3. another service.

(b) The board shall set the fees in amounts that are reasonable and equitable and sufficient to produce revenue adequate to pay the items described by Subsection (c). The fees may not exceed what may be reasonably necessary to fulfill the obligations imposed on the authority by this chapter.

(c) The board shall pay the following items from the fees:

1. all expenses necessary to the operation and maintenance of the improvements and facilities of the authority, including:
   A. the cost of the acquisition of materials and other property necessary to maintain the improvements and facilities in good condition and to operate them efficiently;
   B. necessary wages and salaries of the authority; and
   C. other expenses reasonably necessary to the efficient operation of the improvements and facilities;
2. the interest on any obligation issued under this chapter and payable from the revenue from the improvements and facilities; and
3. the amount required to be paid annually into the sinking fund for the payment of an obligation issued under this chapter and payable from the revenue of the improvements and facilities.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.205. LIMITATION ON USE OF REVENUE. (a) A charge on the revenue derived from the improvements and facilities of the authority may not be made if the principal or interest of any obligation issued under this chapter is unpaid.

(b) If the revenue derived from the improvements and facilities of the authority exceed the amount required for the payment of items under Section 8501.204(c), the board may pay the cost of improvements
and replacements not covered by Section 8501.204(c)(1) and may establish a reasonable depreciation and emergency fund.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

**SUBCHAPTER F. OBLIGATIONS RELATING TO BORROWED MONEY**

Sec. 8501.251. POWER TO BORROW MONEY; EVIDENCE OF OBLIGATION. The authority may:

(1) borrow money from any source, including an agency of the United States; and

(2) issue a note, warrant, certificate of indebtedness, or other form of obligation of the authority as evidence of the borrowed money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.252. OBLIGATION PAYABLE FROM REVENUE. (a) An obligation issued under this chapter by the authority may be made payable from and secured by a pledge of:

(1) all the revenue derived from the operations and devices of the authority's improvements and facilities, excluding any revenue derived from a tax or assessment;

(2) only the revenue derived from the operation of the authority's improvements and facilities acquired with the proceeds from the sale of the obligation; or

(3) a specific part of the revenue derived from the operation of the authority's improvements and facilities.

(b) The proceedings authorizing the issuance of the obligation must identify the method described by Subsection (a) that is to be used to pay and secure the obligation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.253. NO CREATION OF DEBT; NO PAYMENT FROM TAXES. (a) An obligation issued under this chapter is not a debt or a pledge of credit of the authority.

(b) The obligation:

(1) may not be paid in whole or part from any money raised
by taxation; and
    (2) must contain a recital to that effect.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.254.  TIME OF SALE.  An obligation issued under this chapter shall be sold at the time determined by the board to be expedient and necessary to the interest of the authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.255.  MATURITY.  An obligation issued under this chapter must mature not more than 50 years after its date in the manner provided by the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.256.  SIGNATURES.  (a) An obligation issued under this chapter must be signed by the president and secretary-treasurer of the board. An interest coupon attached to an obligation may be executed with the facsimile signature of the president and secretary-treasurer.

    (b) If an officer whose signature is on an obligation or coupon ceases to be an officer before the delivery of the obligation to the purchaser, the signature remains valid for all purposes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.257.  LIEN ON REVENUE.  (a) If more than one series of obligations is issued under this chapter payable from and secured by identical revenue, the priority of a lien against that revenue depends on the time of delivery of the obligations. A lien for a series of obligations is prior and superior to a lien for another series of obligations subsequently delivered.

    (b) For an issue or series of obligations that are authorized as a unit but delivered periodically in blocks, the board may, in the proceedings authorizing the issuance of the obligations, provide that
all the obligations of the issue or series are coequal as to lien regardless of the time of delivery.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.258. SINKING FUND: IN GENERAL. (a) A resolution or order authorizing the issuance of obligations under this chapter must provide for the creation of a sinking fund. Amounts sufficient to pay the principal of and interest on the obligations shall be paid into the fund from the revenue pledged to the payment of the obligations. The payments into the fund shall be made monthly as the revenue is collected.

(b) In the manner provided by this chapter, the money in the sinking fund shall be applied, at or before maturity of the obligations, solely to:

(1) the payment of interest on the obligations for the payment of which the fund is created; and
(2) the retirement of the obligations.

(c) A resolution or order authorizing the issuance of obligations under this chapter must provide that the revenue from which the obligations are to be paid and that is pledged to the payment of the obligations shall be:

(1) set apart and paid into the sinking fund monthly as the revenue accrues and is received; and
(2) disbursed in the manner provided by this chapter.

(d) In determining the amount of revenue to be set apart, the board shall provide that the amount to be set apart and paid into the sinking fund in any year shall be not less than a fixed amount. The fixed amount must be at least sufficient to:

(1) provide for the payment of the principal of and interest on all obligations maturing and becoming payable in the year; and
(2) create a surplus or margin of 10 percent in excess of the amount needed under Subdivision (1).

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.259. SINKING FUND: EXCESS MONEY. (a) At the time obligations are authorized under this chapter, the board may provide
that all money in the sinking fund in excess of the amount required for the payment of the principal of and interest on the outstanding obligations, for a period the board determines, shall be spent once each year under the board's order to purchase obligations for the account of which the sinking fund has been accumulated, if the obligations can be purchased at a price the board considers reasonable.

(b) The board may provide that, if the obligations contain an option permitting retirement before maturity, the excess amount shall be paid out as provided by this chapter for the purchase of the obligations. If the board is unable to purchase sufficient obligations of the issue to absorb all the surplus, the board shall call for redemption of a sufficient amount of the obligations to absorb, so far as practicable, the entire surplus remaining in the sinking fund.

(c) The board may provide that any excess amount in the sinking fund that cannot be applied to the purchase or redemption of obligations shall remain in the sinking fund to be used for payment of principal or interest, when due, or for the subsequent call of obligations for purchase or redemption in the manner provided by this section.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.260. COVENANTS FOR MARKETABILITY. (a) A resolution or order authorizing the issuance of obligations under this chapter may contain covenants with the holders of the obligations on the following subjects as considered necessary to ensure the marketability of the obligations:

(1) management and operation of the improvements and facilities of the authority;
(2) collection of fees for the use of the improvements and facilities;
(3) disposition of the fees;
(4) issuance of future obligations and creation of future liens, mortgages, and encumbrances against the improvements and facilities and the revenue of the improvements and facilities; and
(5) other pertinent matters.

(b) The covenants may not be inconsistent with this chapter.
Sec. 8501.261. HOLDER OF OBLIGATION MAY COMPEL PERFORMANCE. (a) A holder of obligations issued under this chapter or of coupons originally attached to the obligations may enforce and compel the performance by the board of all duties required of the board by this chapter, including:

(1) setting and collecting reasonable and sufficient fees for the use of the improvements and facilities of the authority;

(2) segregating the income and revenue of the improvements and facilities; and

(3) applying the income and revenue under this chapter.

(b) The holder of the obligations or coupons may act under Subsection (a):

(1) at law or in equity; and

(2) by a suit, action, mandamus, or other proceeding.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.262. HOLDER OF OBLIGATION ENTITLED TO ADMINISTRATOR OR RECEIVER. (a) If there is a default in the payment of the principal of or interest on an obligation issued under this chapter, any holder of the obligation is entitled to have an administrator or receiver appointed by a court to administer and operate, on behalf of the authority and the holders of the obligation, the improvements and facilities the revenue of which is pledged to the payment of the obligation.

(b) The administrator or receiver may:

(1) set and collect fees sufficient to:

(A) provide for the payment of operation and maintenance expenses as described by this chapter; and

(B) pay any outstanding obligations or interest coupons payable from the revenue of the improvements and facilities; and

(2) apply the income and revenue of the improvements and facilities in accordance with this chapter and the proceedings authorizing the issuance of the obligation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 8501.263. ADDITIONAL SECURITY FOR OBLIGATION: MORTGAGE AND ENCUMBRANCE. (a) As additional security for the payment of an obligation issued under this chapter, the board may have executed in favor of the holders of the obligations an indenture mortgaging and encumbering:

(1) the improvements, facilities, and other property acquired with the proceeds of the sale of the obligation; or
(2) all the improvements, facilities, and other property of the authority.

(b) In the encumbrance, the board may provide for granting to any purchaser at a foreclosure sale under the encumbrance a franchise to operate the improvements, facilities, and other property for a term not to exceed 50 years after the date of the purchase, subject to the laws regulating the matter.

(c) The indenture:

(1) may contain the provisions the board considers proper; and
(2) is enforceable in the manner provided by the laws of this state for the enforcement of other mortgages and encumbrances.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.264. SALE UNDER MORTGAGE OR ENCUMBRANCE. (a) Under a sale ordered under a mortgage or encumbrance described by Section 8501.263, a purchaser of the improvements, facilities, and other property at the sale, and the purchaser's successors or assigns, are vested with a permit and franchise to maintain and operate the improvements, facilities, and other property with powers and privileges like those held by the authority in the operation of the improvements, facilities, and other property.

(b) Instead of operating the improvements, facilities, and other property as provided by Subsection (a), the purchaser and the purchaser's successors or assigns may remove all or part of the improvements, facilities, and other property for diversion to other purposes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.265. STATE FRANCHISE LAW NOT APPLICABLE. A statute
of this state relating to the granting of franchises is not applicable to:

(1) the authorization or execution of a mortgage or encumbrance entered into under this chapter; or

(2) the grant of a franchise under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.266. DEPOSIT OF PROCEEDS. (a) The proceeds of the sale of an obligation issued under this chapter may be:

(1) deposited in one or more banks on which the purchaser of the obligations and the board agree; and

(2) deposited and paid out under the conditions and other terms to which the purchaser and board agree.

(b) The statutes of this state relating to the deposit of authority funds in the depository of the authority do not apply to the deposit of the proceeds of the sale of an obligation issued under this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.267. USE OF UNSPENT PROCEEDS AFTER PROJECT COMPLETION. Any part of the proceeds of the sale of an obligation issued under this chapter that are unspent after the project for which the obligations were authorized is completed may be paid into the sinking fund for the payment of the obligation and may be used only for:

(1) the payment of the principal of the obligation; or

(2) the purpose of acquiring outstanding obligations by purchase in the manner provided by this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.268. INSURING IMPROVEMENTS AND FACILITIES. (a) The board may enter into, under terms to which the board agrees, an agreement with the purchaser of an obligation issued under this chapter to:

(1) keep all the improvements and facilities, the revenue
of which is pledged to the payment of the obligation, insured with insurers of good standing against loss or damage by fire, water or flood, or another hazard that private companies that operate similar property customarily cover by insurance; and

(2) carry with one or more insurers of good standing the insurance covering the use and occupancy of the property as is customarily carried by private companies that operate similar property.

(b) The cost of the insurance shall be budgeted as a maintenance and operation expense.

(c) The insurance shall be carried for the benefit of the holder of the obligation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.269. REFUNDING OBLIGATION. (a) The authority may authorize and issue, on terms the board considers advisable, a refunding obligation to provide for the retirement of an outstanding obligation issued by the authority under this chapter. The refunding obligation:

(1) may be issued for an obligation that is due or to become due; and

(2) is subject to the provisions of this chapter relating to the issuance of other obligations.

(b) A refunding obligation may be:

(1) exchanged for like par amounts of the outstanding obligation; or

(2) sold, with the proceeds being used to retire the outstanding obligation.

(c) The refunding obligation must be:

(1) secured in all respects to the same extent as other obligations issued under this chapter; and

(2) paid from the same revenue from which the refunded obligation was to be paid.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8501.270. TAX EXEMPTION. An obligation issued under this chapter is exempt from taxation by this state or by any municipal
corporation, county, or other political subdivision or taxing
district of this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

Sec. 8501.901. CHAPTER AS FULL AUTHORITY; OTHER STATUTES NOT
APPLICABLE. (a) This chapter, without reference to other statutes
of this state, is full authority for the authorization and issuance
of an obligation under this chapter and for the accomplishment of all
actions authorized by this chapter. No other proceedings are
necessary.

(b) A statute of this state does not apply to a proceeding or
other act under this chapter if the statute:

(1) relates to:
   (A) the authorization or issuance of obligations;
   (B) the operation or maintenance of an improvement or
       facility;
   (C) the grant of a franchise or permit; or
   (D) the right to an election or referendum petition;

or

(2) in any way impedes or restricts the implementation of
    the acts authorized under this chapter.

(c) Notwithstanding Subsections (a) and (b), this section does
    not prevent another statute from applying to the authority if the
    legislative intent is that the other statute supersede or operate in
    conjunction with this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 8502. BRAZOS RIVER AUTHORITY

Sec. 8502.001. CREATION. (a) A conservation and reclamation
district to be known as the "Brazos River Authority" is created. The
authority is a river authority, a governmental agency, a
municipality, and a body politic and corporate.

(b) The authority is created under and is essential to
accomplish the purposes of Section 59, Article XVI, Texas
Constitution.

(c) The authority may exercise the powers expressly granted by
Section 59, Article XVI, Texas Constitution, to districts created to conserve, control, and utilize to beneficial service the storm waters and floodwaters of the rivers and streams of the state, as well as those powers that may be contemplated and implied by the purposes of that provision of the constitution and that are conferred by general law and the provisions of this chapter. In addition, the authority may discover, develop, and produce groundwater in the Brazos River basin for the use of its customers.

(d) The authority may exercise all the rights and powers of an independent governmental agency, a municipality, and a body politic and corporate to formulate plans deemed essential to its operation and for its administration in the control, storing, preservation, and distribution for all useful purposes of the storm waters and floodwaters of the Brazos River and its tributary streams.

(e) The authority may exercise the same authority and power of control and regulation over the storm waters and floodwaters of the Brazos River and its tributaries as may be exercised by the state, subject to the provisions of the constitution and the acts of the legislature.


Sec. 8502.002. DEFINITIONS. In this chapter:

(1) "Authority" means the Brazos River Authority.
(2) "Board" means the board of directors of the authority.
(3) "Director" means a member of the board.


Sec. 8502.0021. APPLICATION OF SUNSET ACT. (a) The authority is subject to review under Chapter 325, Government Code (Texas Sunset Act), but may not be abolished under that chapter. The review shall be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2021, and every 12th year after that year.
(b) The authority shall pay the cost incurred by the Sunset Advisory Commission in performing the review. The Sunset Advisory Commission shall determine the cost, and the authority shall pay the amount promptly on receipt of a statement from the Sunset Advisory Commission detailing the cost.

Added by Acts 2015, 84th Leg., R.S., Ch. 1148 (S.B. 523), Sec. 14, eff. June 19, 2015.

Sec. 8502.003. TERRITORY. The territory of the authority comprises the watershed of the Brazos River, as determined by rule of the Texas Water Development Board, except the portions lying within Freestone, Leon, and Madison counties.


Sec. 8502.004. POWERS. (a) The authority may exercise, in addition to all the general powers vested by the constitution and statutes in a governmental agency and body politic and corporate for the greatest practicable measure of conservation and beneficial utilization of storm waters, floodwaters, and unappropriated flow waters, the powers of control and employment of the floodwaters, storm waters, unappropriated flow waters, and groundwater of the authority in the manner and for the purposes provided by this section.

(b) The authority may provide, through all practical and legal means, for the control and the coordination of the regulation of the waters of the watershed of the Brazos River and its tributary streams as a unit.

(c) The authority may provide, by adequate organization and administration, for the preservation of the equitable rights of the people of the different sections of the watershed area in the beneficial use of storm waters, floodwaters, and unappropriated flow waters of the Brazos River and its tributary streams.

(d) The authority may provide for storing, controlling, and conserving storm waters, floodwaters, and unappropriated flow waters of the Brazos River and its tributaries, preventing the escape of
those waters without the maximum of public service, preventing the
devastation of lands by recurrent overflows, and protecting life and
property in the watershed area from uncontrolled floodwaters.

(e) The authority may provide for the conservation of waters
essential for the domestic uses of the people of the watershed of the
Brazos River and its tributaries, including all necessary water
supplies for municipalities.

(f) The authority may provide for the irrigation of lands in
the watershed of the Brazos River and its tributary streams where
irrigation is required for agricultural purposes, or may be
considered helpful to more profitable agricultural production, and
provide for the equitable distribution of storm waters, floodwaters,
and unappropriated flow waters to the regional potential requirements
for all uses. Plans and works provided by the authority, and works
provided under the authorization of the authority, should give
primary consideration to the necessary and potential needs for water
by or within the areas constituting the watershed of the Brazos River
and its tributary streams.

(g) The authority may provide for the better encouragement and
development of drainage systems and provisions for drainage of lands
in the valleys of the Brazos River and its tributary streams needing
drainage for profitable agricultural production and drainage for
other lands in the watershed area of the authority requiring drainage
for the most advantageous use.

(h) The authority may provide for the conservation of all soils
against destructive erosion and for the prevention of increased flood
danger caused by destructive soil erosion.

(i) The authority may provide for controlling and making
available for employment floodwaters, storm waters, and
unappropriated flow waters in the development of commercial and
industrial enterprises in all sections of the watershed area of the
authority.

(j) The authority may provide for the control, storage, and
employment of floodwaters, storm waters, and unappropriated flow
waters in the development and distribution of hydroelectric power,
where this use may be economically coordinated with other and
superior uses and subordinated to the uses declared by law to be
superior.

(k) The authority may provide for each purpose for which
floodwaters, storm waters, and unappropriated flow waters, when
controlled and conserved, may be used in the performance of a useful service as contemplated and authorized by the provisions of the constitution and the public policy it declares.

(1) The authority may provide for the development of groundwater and may make groundwater available for use for domestic, municipal, irrigation, commercial, and industrial purposes.

(m) This chapter does not confer on the authority any power under Chapter 36, Water Code, to regulate the groundwater of other landowners.

(n) When producing groundwater, the authority is subject to all laws, regulations, and rules relating to groundwater, including the rules of a groundwater conservation district and the Central Carrizo-Wilcox Coordinating Council.

(o) The authority may not transport or assist in the transport of groundwater pumped in the basin outside the Brazos River basin.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 221.004 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(a), eff. September 1, 2007. Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(c), eff. September 1, 2007.

Sec. 8502.005. LIMITATION OF AUTHORITY; STATE SUPERVISION. The powers and duties granted to the authority by this chapter are subject to all legislative declarations of public policy in the maximum utilization of the storm waters, floodwaters, and unappropriated flow waters of the Brazos River watershed and developed groundwater of the Brazos River basin for the purposes for which the authority is created, as expressed and indicated in this chapter, and subject to the continuing rights of supervision by the state.


Sec. 8502.006. DAMS AND RESERVOIRS; WATER SUPPLY CONTRACTS.

(a) The authority may construct, acquire, equip, acquire storage
rights at, and operate dams and reservoirs that, in the opinion of the board, are useful in carrying out the powers conferred on the authority by this chapter, regardless of whether a dam is designed to serve a single purpose or multiple purposes.

(b) The authority may provide water supply lines and water purification and pumping facilities.

(c) The authority may execute contracts with municipalities in the state substantially in the manner prescribed by Section 552.020, Local Government Code, for districts organized or created under Section 59, Article XVI, Texas Constitution, and may execute water supply contracts with other users of water.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.77(33), eff. April 1, 2009.
Renumbered from Water Code, Section 221.006 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(a), eff. September 1, 2007.

Sec. 8502.007. PRIORITY OF RIGHTS. This chapter does not change any existing priority of right under the laws of this state to the use of waters of this state, including any rights of municipalities that maintain and use storage structures in the bed of the Brazos River or its tributaries.


Sec. 8502.008. BOND PROVISIONS. (a) Bonds may be:
(1) sold for cash, at public or private sale, and at the price the board determines;
(2) issued on the terms the board determines in exchange for property of any kind, real, personal, or mixed, or any interest in property, that the board determines necessary or convenient for any corporate purpose; or
(3) issued to refund bonds issued at any time under authority of this chapter.

(b) Bonds must be authorized by resolution of the board.
(c) A resolution authorizing bonds may contain provisions that are part of the contract between the authority and the purchasers and subsequent holders of the bonds:

(1) reserving the right to redeem the bonds at the time, in the amount, and at the price provided;

(2) providing for the setting aside of sinking funds or reserve funds and the regulation and disposition of those funds;

(3) pledging, to secure the payment of the principal of and interest on the bonds and the sinking fund or reserve fund payments agreed to be made with respect to the bonds, all or any part of the gross or net revenues subsequently received by the authority with respect to the property, real, personal, or mixed, to be acquired or constructed with the bonds or with proceeds of the bonds, or all or any part of the gross or net revenues subsequently received by the authority from any source;

(4) prescribing the purposes to which the bonds or any bonds later issued, or the proceeds of the bonds, may be applied;

(5) agreeing to set and collect rates and charges sufficient to produce revenues that are adequate to pay the items specified in any resolution or resolutions authorizing any bonds, and prescribing the use and disposition of all revenues;

(6) prescribing limitations on the issuance of additional bonds and on all agreements that may be made with the purchasers and successive holders of the bonds;

(7) relating to the construction, extension, improvement, operation, maintenance, depreciation, replacement, and repair of the properties of the authority and the carrying of insurance on all or any part of the property covering loss or damage or loss of use and occupancy resulting from specified risks;

(8) establishing the procedure, if any, by which, if the authority so desires, the terms of any contract with the bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to such amendment or abrogation, and the manner in which the consent is evidenced;

(9) providing for the execution and delivery by the authority to a bank or trust company authorized by law to accept trusts, or to the United States or any office or agency of the United States, of indentures or agreements authorized to be made with or for the benefit of the bondholders and any other provisions contained in the indentures or agreements; and
Sec. 8502.009. BOARD OF DIRECTORS; BONDS; QUORUM; OFFICERS.  
(a) The board consists of 21 members. Members of the board and their successors serve staggered terms of six years and until their successors are designated and have qualified. The terms of seven members of the board expire on February 1 of each odd-numbered year.  
(b) The governor shall appoint the directors at large with the advice and consent of the senate. Within 60 days after appointment, each director shall take and subscribe an oath of office similar to the oaths administered to county commissioners and shall execute bond in the amount of $5,000, payable to the authority. The premium on the bond shall be paid by the authority. The bond, after being recorded in the official bond records of the county in which the authority maintains its office, shall be deposited with a depository selected and approved for the deposit of the funds of the authority.  
(c) A vacancy occurring on the board shall be filled by appointment of the governor with the advice and consent of the senate.  
(d) Eleven members of the board constitute a quorum to transact business.  
(e) The governor shall designate a director as the presiding officer of the board to serve in that capacity at the pleasure of the governor. The board shall elect from among its members an assistant presiding officer and a secretary. The board shall appoint a treasurer. The treasurer shall furnish a bond in an amount equal to 75 percent of the amount of money estimated to be on hand during the year, not to exceed $100,000.


Sec. 8502.010. CREATION OF MASTER DISTRICT; WATER CONTROL AND
IMPROVEMENT DISTRICT. A master district is created having all the
powers, duties, and functions, and subject to applicable and
practicable procedures for those districts, to accomplish the
purposes of this chapter, as provided by Chapter 49, Water Code, and
the provisions of the Water Code applicable to water control and
improvement districts.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003.
Renumbered from Water Code, Section 221.010 by Acts 2007, 80th Leg.,
R.S., Ch. 921 (H.B. 3167), Sec. 13.006(a), eff. September 1, 2007.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(d),
eff. September 1, 2007.

Sec. 8502.011. BOND ELECTION REQUIRED. The authority may not
issue bonds or incur any form of continuing obligation or
indebtedness payable from ad valorem taxes for purposes of effecting
improvements comprehended in the plan of organization and
administration of the authority, or incur any indebtedness in the
form of a continuing charge on lands or other physical properties
within the authority, unless the proposition has been submitted to
the qualified voters of the authority, or in appropriate cases the
qualified voters of a defined area within the authority, and is
approved by a majority of the electors voting on the proposition.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003.
Renumbered from Water Code, Section 221.011 by Acts 2007, 80th Leg.,
R.S., Ch. 921 (H.B. 3167), Sec. 13.006(a), eff. September 1, 2007.

Sec. 8502.012. ADDITIONAL POWERS AND DUTIES. (a) The
authority is a district and a river authority as defined by Chapter
30, Water Code. All the provisions of Chapter 30, Water Code, are
applicable to the authority.

(b) As used in this section:
(1) "Person" means any individual, partnership,
corporation, public utility, or other private entity or any public
agency.

(2) "Public agency" means an authority, district,
municipality or other political subdivision, joint board, or other
public agency created and operating under the laws of this state and any entity created to operate or act on behalf of a public agency.

(c) The authority and all persons may enter into contracts with each other, in any manner and on terms to which the parties agree, with respect to any power, function, facility, or service that the authority is authorized by law to provide or finance. Public agencies may use and pledge any available revenues for and in the payment of amounts due under a contract as an additional source of payment of the contract and may covenant with respect to available revenues to assure the availability of the revenues when required. In this subsection, "revenues" does not mean or include revenues from ad valorem taxes levied and collected by a public agency or the proceeds from the sale or refunding of bonds of a public agency that are to be wholly or partially paid from ad valorem taxes levied and collected by the public agency unless the use or pledge of the tax revenues or bond proceeds is approved by the qualified voters of the public agency at an election called for the purpose of levying taxes or issuing or refunding bonds, or both, for the purpose of using or pledging their revenues or proceeds under contracts entered into under this subsection.

(d) A public agency may set, charge, and collect fees, rates, charges, rentals, and other amounts for a service or facility provided by a utility operated by the public agency, or provided under or in connection with a contract with the authority, from the inhabitants of the authority or from any users or beneficiaries of the utility, service, or facility, including:

1. water charges;
2. sewage charges;
3. solid waste disposal system fees and charges, including garbage collection or handling fees; and
4. other fees or charges.

(e) A public agency may use and pledge the fees, rates, charges, rentals, and other amounts authorized by Subsection (c) to make payments to the authority required under a contract with the authority and may covenant to do so in amounts sufficient to make all or any part of the payments to the authority when due. If the parties agree in the contract, the payments shall constitute an expense of operation of any facility or utility operated by the public agency.

(f) The authority, acting through the board, may carry out any
activities and acquire, purchase, construct, own, operate, maintain, repair, improve, or extend and may lease or sell, on terms and conditions, including rentals or sale prices, on which the parties agree, all works, improvements, facilities, plants, buildings, structures, equipment, and appliances, and all real and personal property, or any interest in real or personal property, related to the works, improvements, facilities, plants, buildings, structures, equipment, and appliances, that are incident to or necessary in carrying out or performing any power or function of the authority under this section.

(g) The authority may issue bonds with respect to the acquisition, purchase, construction, maintenance, repair, improvement, and extension of works, improvements, facilities, plants, buildings, structures, appliances, and property for the purpose of exercising any of its powers and functions under this section in the manner provided by this chapter or any other applicable law.

(h) The authority may issue revenue bonds to pay for the costs of feasibility studies for proposed projects of the authority, including engineering, planning and design, and environmental studies. The authority may include in any revenue bond issue the funds to operate and maintain, for a period not to exceed two years after completion, the facilities acquired or constructed through the revenue bond issue.

(i) If bonds issued by the authority recite that they are secured by a pledge of payments under a contract, a copy of the contract and the proceedings relating to the contract may be submitted to the attorney general along with the bonds. If the attorney general finds that the bonds have been authorized and the contract has been made and entered into in accordance with law, the attorney general shall approve the bonds and the contract, and after the approval, the bonds and the contract are incontestable in any court or other forum for any reason and are valid and binding in accordance with their terms and provisions for all purposes.

(j) The provisions of Chapters 618, 1201, 1204, 1207, and 1371, Government Code, are applicable to bonds issued by the authority.

(k) This section is wholly sufficient authority for the issuance of bonds, the execution of contracts, and the performance of other acts and procedures authorized by this section by the authority and all persons, including public agencies, without reference to any
other provision of law or any restriction or limitation contained in those provisions, except as specifically provided by this section.

To the extent of any conflict or inconsistency between this section and any other law, including any charter of a home-rule municipality, this section shall prevail and control. The authority and all persons, including public agencies, may use any law not in conflict with this section to the extent convenient or necessary to carry out any power or authority, expressed or implied, granted by this section.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 221.012 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(a), eff. September 1, 2007. Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(e), eff. September 1, 2007.

Sec. 8502.013. DISPOSITION OF PROPERTY. (a) Nothing in this chapter shall be construed as authorizing the authority, and it is not authorized, to mortgage or otherwise encumber any of its property of any kind, real, personal, or mixed, or any interest in property, or to acquire any property or interest subject to a mortgage or conditional sale; provided, however, that this section shall not be construed as preventing the pledging of the revenues of the authority as provided by this chapter.

(b) Nothing in this chapter shall be construed as authorizing the sale, release, or other disposition of property of any kind, real, personal, or mixed, or any interest in property, by the authority or through any court proceedings or otherwise; provided, however, that the authority may sell for cash any property or interest if the board by affirmative vote of 11 of its members determines that the property or interest is not necessary to the business of the authority and approves the terms of the sale. Except by sale as expressly authorized by this section, authority property or interest may not come into the ownership or control, directly or indirectly, of any person, firm, or corporation other than a public authority created under the laws of the state.

(c) All authority property is exempt from forced sale, and nothing in this chapter authorizes the sale of any of the property of
the authority under a judgment rendered in a suit, and a sale of that kind is prohibited.

(d) Notwithstanding any restrictions or provisions in this section or in this chapter, the authority, acting by a majority vote of the board, may construct or purchase, from any person, firm, or corporation (referred to in this subsection as "customer") with which the authority has contracted to sell hydroelectric power, transmission lines and other property used or to be used by the customer for the transmission of or in connection with power purchased or to be purchased from the authority. The authority may lease all or any portion of that property to the customer for all or a portion of the time during the term of the hydroelectric power purchase contract. The lease may contain provisions that are valid and enforceable giving the lessee the right to purchase from the authority all or any portion of the property at or within the time specified in the lease and for a price and on terms and conditions specified in the lease; provided, however, that the price may not be less than the depreciated value, determined in the manner prescribed in the lease, plus one percent of the original cost of the property.


Sec. 8502.0132. SALE OF CAPTIVE PROPERTY AT POSSUM KINGDOM LAKE. (a) In this section:

(1) "Adjacent Land" means the real property owned by the applicable Offeree that is adjacent to the applicable Captive Property To Be Sold.

(2) "Captive Property To Be Sold" means those portions of the following tracts of real property owned by the Authority at the Lake that as of May 27, 2009, were surrounded by the Lake and property owned by a single freeholder and located above the 1000' contour line, but does not include any portion of the following tracts that was part of Project Land or property that was leased for single-family residential purposes as of May 27, 2009:

(A) two tracts of land totaling 2019.86 acres, more or less, in Palo Pinto County, Texas, described in Brazos River Authority Records as Tracts 8-1-93 and 9-3-9, as such Tracts are more
particularly described in an Award of Commissioners entered June 28, 1940, in the County Court of Palo Pinto County, Texas, in Cause No. 2539, styled Brazos River Conservation and Reclamation District versus Orland R. Seaman, Et Al., as the same appears on file and of record in Volume 5, Pages 414 and 419, et seq., Civil Minutes of the County Court of Palo Pinto County, Texas; and

(B) a 2278.3 acre tract of land, more or less, in Palo Pinto County, Texas, described in Brazos River Authority records as Tract 11-2-46, as such tract is more particularly described in deeds recorded at Book 181, Page 325, Book 182, Page 339, Book 183, Page 12, and Book 183, Page 16, in Palo Pinto County Records, Palo Pinto County, Texas.

(2-a) "Close" or "Closing" means the transfer of the Authority's interest in properties described in the Subsection (d)(1) or (m)(6) survey.

(3) "FERC License" means the order of the Federal Energy Regulatory Commission issuing a license to the Authority for project number 1490-003-Texas on September 8, 1989, as such license has been renewed, extended, or amended and may be further renewed, extended, or amended at any time and from time to time, and including the Amendment to the original FERC license that was issued on May 15, 1980, to the extent incorporated or referenced in the FERC License.

(4) "Lake" means Possum Kingdom Lake located in Young, Palo Pinto, Stephens, and Jack Counties. The boundary of the Lake is defined by the 1000' contour line, as that contour may meander and change over time with natural forces, including erosion and accretion. The "1000' contour line" means the line running along the periphery of the Lake if the surface of the Lake is at an elevation of 1000 feet above mean sea level, as measured from the top of the spillway crest gates of the Morris Sheppard Dam, as such line may move and shift from time to time due to natural forces.

(5) "Offeree" means any person to whom an offer to sell Captive Property To Be Sold is to be made under this section. To qualify as an Offeree, a person must own in fee simple as of May 27, 2009, the real property adjacent to the Captive Property To Be Sold, and be able to provide an attorney's opinion or other satisfactory legal documentation that such Offeree meets the qualifications of an Offeree under this subdivision.

(6) "Project Land" means that portion of Authority property that is subject to the FERC License, as identified and defined in the
FERC License, as may be amended at any time, and from time to time, and which Project Land may move or change over time due to natural forces.

(b) Notwithstanding any other provision of this chapter, the Authority is directed to sell all Captive Property To Be Sold in accordance with the directives of this section, including the following:

(1) Within 90 days of the effective date of the Act enacting this section, the Authority shall publish a list of the parcels at the Lake that qualify as Captive Property To Be Sold and an "Application Of Intent To Purchase" form for use by the Offerees as provided by this section.

(2) Each listed parcel of Captive Property To Be Sold shall be offered for sale at its fair market value to the Offeree who owns any Adjacent Land that is adjacent to that specific parcel of Captive Property To Be Sold, and each Adjacent Land owner has the right (but not the obligation) to purchase the parcel in equal proportion among those wishing to acquire same.

(3) Any Offeree who desires to purchase Captive Property To Be Sold must, within 180 days of the inclusion of that property on the published list of Captive Property To Be Sold under Subdivision (1), submit a completed Application Of Intent To Purchase form to the Authority.

(4) If the Authority does not receive an Application Of Intent To Purchase from an Offeree within the required time, the Offeree shall be deemed to have waived any right to purchase the subject property under this section and the Authority shall have the right to retain or sell such property as directed by the board.

(5) The Authority shall accept and process all Application Of Intent To Purchase forms in the order in which they are received.

(6) Any sale of property under this section must be handled as if it were a private sale for fair market value under Section 49.226(a), Water Code.

(7) The fair market value of the Captive Property To Be Sold must be determined as follows:

(A) Within forty-five (45) days of the Authority's receipt of the Offeree's completed Application Of Intent To Purchase and an acceptable survey as provided by Subsection (d)(1), the Authority shall provide the Offeree with an appraisal of the fair market value of the Captive Property To Be Sold dated within one year
of the date of the Authority's receipt of the Application Of Intent To Purchase (the "First Appraisal"). The Authority's appraiser must be an appraiser certified under Chapter 1103, Occupations Code. Within fifteen (15) days of receipt of the First Appraisal, the Offeree shall notify the Authority in writing as to whether the Offeree agrees with or disputes the fair market value set forth in the First Appraisal. If the Offeree does not dispute the fair market value as determined by the First Appraisal within such 15-day time period, then the First Appraisal shall be final and binding on all parties to establish the fair market value for the Captive Property To Be Sold.

(B) If the Offeree disputes the fair market value determined by the First Appraisal, the Offeree may withdraw its application to purchase the Captive Property To Be Sold or employ a disinterested appraiser certified under Chapter 1103, Occupations Code, to conduct a second appraisal of the fair market value of the Captive Property To Be Sold (the "Second Appraisal"). The Second Appraisal must be completed and sent to the Authority not later than the 45th day after the date the Offeree notifies the Authority that the Offeree disputes the First Appraisal. If the Authority does not receive the Second Appraisal within such 45-day time period, then the Offeree's Application Of Intent To Purchase will be deemed withdrawn.

(C) Within fifteen (15) days of receipt of the Second Appraisal, the Authority shall notify the Prospective Purchaser in writing as to whether the Authority agrees with or disputes the fair market value determined by the Second Appraisal. If the Authority does not dispute the fair market value as determined by the Second Appraisal within this 15-day time period, then the Second Appraisal shall be final and binding on all parties to establish the purchase price for the Captive Property To Be Sold. If the Authority timely disputes the fair market value determined by the Second Appraisal, the two appraisers (or their designated agents) shall meet and attempt to reach an agreement on the fair market value of the Captive Property To Be Sold, such meeting to occur not later than the 30th day after the date the Authority notifies the Offeree that the Authority disputes the Second Appraisal.

(D) If the two appraisers reach agreement on the fair market value, within 20 days after their meeting they shall issue a report of the agreed fair market value to the Authority and to the Offeree, and this agreed fair market value shall be final and binding.
on all parties to establish the purchase price. If the two appraisers fail to reach agreement on or before the 20th day after the date of the meeting, then not later than the 30th day after the date of the meeting the two appraisers shall appoint a disinterested third appraiser certified under Chapter 1103, Occupations Code, to reconcile the two previous appraisals (the "Third Appraisal"). The Third Appraisal must be completed on or before the 30th day after the date of the third appraiser's appointment, and the fair market value determined by the Third Appraisal is final and binding on all parties to establish the purchase price; provided, however, the final purchase price may not be more than the fair market value determined by the First Appraisal or less than the fair market value determined by the Second Appraisal.

(E) The appraisal costs must be paid by the person who requests the appraisal, except that the Offeree and the Authority shall each pay one-half of the cost of the Third Appraisal if a Third Appraisal is necessary. If the Offeree fails to pay its share of the Third Appraisal, then the Offeree's Application Of Intent To Purchase will be deemed withdrawn.

(F) The timelines established in the appraisal process set forth in this subdivision may be extended on joint agreement of Authority and Offeree.

(8) Closing must occur not later than the first anniversary of the effective date of the Act of the 83rd Legislature, Regular Session, 2013, amending this subsection.

(c) If the Authority seeks to exempt any Captive Property To Be Sold from sale under this section as necessary for the continued operation of services at the Lake by the Authority, the Authority must designate as exempt each parcel it seeks to have exempted and provide actual notice of the exemption to any Offeree who otherwise would have been eligible to purchase that property. Any such Offeree shall have the right, but not the obligation, to challenge the exemption designation by the Authority in accordance with Subsection (e).

(d) For each parcel that an Offeree elects to purchase pursuant to this section, the Offeree shall:

(1) provide to the Authority a survey of the property that is:

(A) prepared by a licensed state land surveyor or a registered professional land surveyor;
(B) dated not earlier than the date one year before the effective date of the Act enacting this section; and

(C) acceptable to the Authority and any title company providing title insurance for the Offeree; and

(2) pay all reasonable, normal, customary, and documented closing costs associated with the sale of the property.

(d-1) Not later than 15 business days after the delivery of an Offeree's survey to the Authority required under Subsection (d)(1) or (m)(6), the Authority shall notify the Offeree that the survey is acceptable or submit in writing to the Offeree a list detailing any error in the survey that the Authority believes requires correction. If required, the survey must be corrected at the earliest convenience of the surveyor and a corrected survey delivered to the Authority. The correction process repeats until both surveys are acceptable, at which time the timetable for the appraisal process in Subsection (b)(7)(A) begins for the properties described in the Subsection (d)(1) and (m)(6) surveys. So long as the Subsection (m)(6) survey is timely delivered to the Authority, if the surveys are not both accepted by the Authority within 180 days after the effective date of the Act enacting this subsection, then the closing deadline established by Subsection (b)(8) is extended on a day-for-day basis for each day after the 180th day until both surveys are accepted by the Authority.

(e) A person who disputes the Authority's decision to exempt a specific parcel from sale under this section may file a declaratory judgment action in the district court of Travis County. If a person files such an action:

(1) any claim to governmental immunity is hereby waived for the determination of the dispute;

(2) the court shall determine all issues presented by de novo review; and

(3) the Authority shall bear the burden to establish by a preponderance of the evidence that the parcel it seeks to have exempted from sale is necessary for the specifically authorized operation of services at the Lake.

(f) For any property sold under this section:

(1) the Authority shall provide a Special Warranty Deed that encompasses and includes all interests in the property held by the Authority, subject only to:

(A) those restrictions, covenants, and prohibitions
contained in the deed of conveyance under which the Authority originally acquired title to the property, including without limitation any releases of the Authority for the inundation, overflowing, or flooding of the Lake;

(B) all encumbrances and other matters filed of record in the public records of the county in which the property is located; and

(C) any other matters or conditions that are apparent on the ground or that would be reasonably disclosed or discovered by an inspection of the property; and

(2) the Offeree shall release and agree to hold the Authority harmless from, and the Authority may not be held liable for damages, claims, costs, injuries, or any other harm to any Offeree or any other person or the Captive Property To Be Sold or any improvements on the property, caused by or arising from any temporary flooding of any portion of the Captive Property To Be Sold.

(g) Any sale of Captive Property To Be Sold pursuant to this section must allow the Authority the right to enter on the Captive Property To Be Sold and the Lake and other bodies of water, if any, located within the Captive Property To Be Sold and to cross the Adjacent Land on roads with essential equipment for all purposes reasonably necessary for the Authority to fulfill its obligations as a river authority and any obligations set forth in the FERC License, state water rights, or other governmental regulations, or that the Authority considers necessary for public safety, health, and welfare purposes. Any exercise of those rights by the Authority may be conducted only after written notice is given at least 48 hours in advance of such entry to the Offeree (except in the event of an emergency, in which case advance notice is not required, but the Authority shall provide such written notice as soon as practicable thereafter). The Authority shall use reasonable efforts to avoid interfering with the Offeree's use of the Captive Property To Be Sold and Adjacent Land and shall promptly repair any damage to the Captive Property To Be Sold and Adjacent Land caused by the Authority's entrance. Any claim to governmental immunity on behalf of the Authority is hereby waived for the recovery of any damage caused by the Authority's breach of this subsection.

(h) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 1179, Sec. 5, eff. June 14, 2013.

(i) Chapters 232 and 272, Local Government Code, do not apply
(j) The Authority may use proceeds from the sale of property under this section for any Authority purpose.

(k) The Authority shall reserve its interest in all oil, gas, and other minerals in and under the Captive Property To Be Sold (or any portion thereof) to the extent the Authority owns an interest in those minerals.

(l) To the extent of any conflict with other laws of this state, this section prevails.

(m) Notwithstanding any provision of this section to the contrary, a sale under this section is subject to the following requirements:

(1) If on the date Closing occurs the Project Land or any portion of the Project Land has been removed from the FERC License, the Captive Property To Be Sold must include all Project Land that would have otherwise qualified as Captive Property To Be Sold except for its status as Project Land.

(2) If on the date Closing occurs the Project Land or any portion of the Project Land has not been removed from the FERC License, the Authority shall convey to the Offeree a residual interest in that portion of the Project Land that would have otherwise qualified as Captive Property To Be Sold except for its status as Project Land. The residual interest automatically vests on the date that:

(A) the Federal Energy Regulatory Commission approves an amendment to the FERC License removing the Project Land from the boundaries under the FERC License so that the Project Land is no longer subject to regulation by the Federal Energy Regulatory Commission; or

(B) the FERC License expires and is not renewed or extended, or is otherwise terminated, and thus the Project Land is no longer subject to regulation by the Federal Energy Regulatory Commission.

(3) Notwithstanding Subdivision (2), if the residual interest described by Subdivision (2) has not vested on or before August 31, 2040, then the residual interest is terminated and of no further force and effect, and the Authority shall repay to the Offeree any amount originally paid for that residual interest on or before December 1, 2040. On satisfaction of a condition described by Subdivision (2)(A) or (B) before August 31, 2040, the residual
interest conveyed under Subdivision (2) is automatically effective without necessity of further documentation. As of the date the conveyance is effective, the applicable portion of the Project Land is considered to be a part of the Captive Property To Be Sold conveyed under this section and the Offeree or then-current Owner of the applicable portion of the Captive Property To Be Sold is the beneficiary of the residual interest applicable to the portion of the Project Land adjacent to such Owner's land and considered to be a part of the Captive Property To Be Sold conveyed under this section. The residual interest immediately vests in the Offeree or then-current Owner of the adjacent Captive Property To Be Sold conveyed under this section without the necessity of any additional written conveyance.

(4) In the event that a sale under this subsection does not include any portion of the Project Land, or only includes a residual interest in a portion or all of the Project Land, then the Authority shall at Closing, subject to the approval of the Federal Energy Regulatory Commission, grant the Offeree an easement, subject to the FERC License, for the use of that portion of the Project Land for which the Offeree has purchased a residual interest. The Authority shall retain ownership of that portion of the Project Land and exercise control over that portion of the Project Land consistent with the FERC License and this subsection. The easement granted to the Offeree is limited to uses permitted under the terms of the FERC License, the Authority's Shoreline Management Plan, and any other Authority rules and regulations that may be adopted from time to time.

(5) An appraisal of the fair market value of the Project Land, whether the Project Land has been removed from the FERC License or not, must be determined as if the applicable Project Land is not subject to the FERC License, is not part of the Federal Energy Regulatory Commission project area, is not subject to any lease agreement, is available for immediate possession and use, and may be used for any lawful purpose.

(6) For each parcel of Project Land that an eligible Offeree elects to purchase under Subdivision (1), or for each parcel of Project Land in which the Offeree purchases a residual interest under Subdivision (2), the Offeree shall, not later than the 90th day after the effective date of the Act enacting this subsection, provide to the Authority a survey and calculation of the area of the parcel
prepared by a licensed state land surveyor or a registered professional land surveyor in accordance with this subsection. The survey is separate from any survey prepared under Subsection (d) of Captive Property To Be Sold.

(n) On or before Closing, the Authority shall deliver completed and executed documentation necessary to transfer the property conveyed from the Authority to the Offeree, and the Offeree shall deliver the purchase price and closing costs and the countersignatures on all necessary documentation. Promptly after Closing, the Offeree shall record the documents required for transferring the property in the county records where the property is located. The closing documents and funds may be held in escrow at the election of the Authority or the Offeree until all documents have been fully executed and all required funds have been delivered.

Added by Acts 2009, 81st Leg., R.S., Ch. 193 (H.B. 3032), Sec. 1, eff. May 27, 2009.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 1179 (S.B. 918), Sec. 1, eff. June 14, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 1179 (S.B. 918), Sec. 2, eff. June 14, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 1179 (S.B. 918), Sec. 5, eff. June 14, 2013.

For contingent expiration of this section, see Subsection (j).

Sec. 8502.0133. SALE OF AUTHORITY PROPERTY ON AND ASSOCIATED WITH COSTELLO ISLAND. (a) In this section:

(1) "Boat landing" means a 0.841 acre tract of land, more or less, located above the 1000' contour line as defined in Subdivision (8), described in authority records as Tract Costello Island, situated in the A. J. Smith Survey, Abstract 393, Palo Pinto County, Texas, and being a part of a tract of land purchased by the Brazos River Conservation and Reclamation District from Mrs. Hugh C. Thomas, as recorded in Volume 182, Page 142, Deed Records of Palo Pinto County. The boat landing is located wholly within the FERC Project Area.

(2) "Date of decommissioning" means the effective date of the surrender of the FERC License for the Morris Sheppard Dam Project.
No. 1490-052 under the Order Accepting the Surrender of the License (issued December 23, 2011), 137 FERC 62,252.

(3) "Costello Island" means a 260 acre tract of land, more or less, located above the 1000' contour line as defined in Subdivision (8), described in authority records as Tract Costello Island, situated in the J.W. Bunton Survey, Abstract 52, Palo Pinto County, Texas, and being a part of that parcel that is located wholly within the boundary of the lake, and being a part of a tract of land acquired by the Brazos River Conservation and Reclamation District from E.P. Costello by Court Judgment dated July 21, 1943. The portions of Costello Island owned by the authority are located wholly within the FERC Project Area.

(4) "Costello Island Property" means Costello Island and the boat landing, but does not include any portion of Costello Island owned in fee simple by a person other than the authority.

(5) "Fair market value" means the price that the Costello Island Property would bring in an arms-length transaction when offered for sale by one who wishes, but is not obliged, to sell and when bought by one who is under no necessity of buying it. This value shall be determined as if the Costello Island Property were not subject to the FERC License, were not located within the FERC Project Area, were not subject to any lease agreement, were available for immediate possession and use, and could be used for any reasonable purpose, subject only to the restrictions in Subsection (e).

(6) "FERC License" means the order of the Federal Energy Regulatory Commission issuing a license to the authority for project number 1490-003-Texas on September 8, 1989, as such license has been renewed, extended, or amended and may be further renewed, extended, or amended at any time and from time to time, and also including the amendment to the original FERC License, which amendment was issued on May 15, 1980, to the extent incorporated or referenced in the FERC License.

(7) "FERC Project Area" means that portion of authority land that is subject to the FERC License before the date of decommissioning, as the land is identified and defined in the FERC License, as may be amended at any time and from time to time, and which FERC Project Area may move or change over time due to natural forces.

(8) "Lake" means Possum Kingdom Lake located in Young, Palo Pinto, Stephens, and Jack Counties. The boundary of the lake is
defined by the 1000' contour line, as that contour may meander and change over time with natural forces, including erosion and accretion. The "1000' contour line" means the line running along the periphery of the lake if the surface of the lake is at an elevation of 1000 feet above mean sea level, as measured from the top of the spillway crest gates of the Morris Sheppard Dam, as such line may move and shift from time to time due to natural forces.

(9) "Offeree" means the individuals or corporation, other than the authority, owning a portion of Costello Island in fee simple.

(b) After the date of decommissioning, the authority shall offer for sale to the offeree the Costello Island Property. The sale shall be:

(1) for not less than the fair market value as determined under Subsection (c); and

(2) contingent upon the termination of any leases encumbering all or any portion of the Costello Island Property at the time of sale.

(c)(1) The fair market value of the Costello Island Property shall be determined as described in this subsection.

(2) Not later than 45 days after the date the authority receives the offeree's completed application of intent to purchase and an acceptable survey as provided by Subsection (d)(1), the authority shall provide the offeree with an appraisal of the fair market value of the Costello Island Property. The authority may use an existing appraisal if it is dated not more than one year before the date the authority receives the application of intent to purchase. The authority's appraiser must be certified under Chapter 1103, Occupations Code. Not later than the 15th day after the date the offeree receives the first appraisal, the offeree shall notify the authority in writing as to whether the offeree agrees with or disputes the fair market value provided in the first appraisal. If the offeree does not dispute the fair market value as determined by the first appraisal before the expiration of the 15-day period, the first appraisal is final and binding on all parties and establishes the fair market value for the Costello Island Property.

(3) If the offeree disputes the fair market value determined by the first appraisal, the offeree may withdraw its application to purchase the Costello Island Property or may employ a disinterested appraiser certified under Chapter 1103, Occupations
Code, to conduct a second appraisal of the fair market value of the Costello Island Property. The second appraisal must be completed and sent to the authority not later than the 45th day after the date the offeree notifies the authority that the offeree disputes the first appraisal. If the authority does not receive the second appraisal before the expiration of the 45-day period, the offeree's application of intent to purchase will be deemed withdrawn.

(4) Not later than the 15th day after the date of receiving the second appraisal, the authority shall notify the offeree in writing as to whether the authority agrees with or disputes the fair market value determined by the second appraisal. If the authority does not dispute the fair market value as determined by the second appraisal before the expiration of the 15-day period, the second appraisal is final and binding on all parties and establishes the purchase price for the Costello Island Property. If the authority timely disputes the fair market value determined by the second appraisal, the two appraisers, or their designated agents, shall meet and attempt to reach an agreement on the fair market value of the Costello Island Property. The meeting shall occur not later than the 30th day after the date the authority notifies the offeree that the authority disputes the second appraisal.

(5) If the two appraisers reach an agreement on the fair market value, they shall issue a report, not later than the 20th day after the date of their meeting, relating the agreed fair market value to the authority and to the offeree, and this agreed fair market value shall be final and binding on all parties and establishes the purchase price. If the two appraisers fail to reach an agreement on or before the 20th day after the date of the meeting, then, not later than the 30th day after the date of the meeting, the two appraisers shall appoint a disinterested third appraiser certified under Chapter 1103, Occupations Code, to reconcile the two previous appraisals in a third appraisal. The third appraisal must be completed on or before the 30th day after the date of the third appraiser's appointment, and the fair market value determined by the third appraisal is final and binding on all parties and establishes the purchase price; provided, however, that the final purchase price may not be more than the fair market value determined by the first appraisal or less than the fair market value determined by the second appraisal.

(6) The appraisal costs shall be paid by the person who
requests the appraisal, except that the offeree and the authority shall each pay one-half of the cost of the third appraisal if a third appraisal is necessary. If the offeree fails to pay its share of the third appraisal, the offeree's application of intent to purchase will be deemed withdrawn.

(7) The timelines for the appraisal process under this subsection may be extended upon joint agreement of the authority and the offeree.

(d) To purchase the Costello Island Property, the offeree must:

(1) provide to the authority a survey of the Costello Island Property that is:

(A) prepared by a licensed state land surveyor or a registered professional land surveyor;

(B) dated not earlier than one year before the effective date of the Act enacting this section; and

(C) acceptable to the authority and any title company providing title insurance for the offeree; and

(2) pay all closing costs associated with the sale of the property.

(e) For any property sold under this section:

(1) the authority shall provide a special warranty deed that encompasses and includes all interests in the Costello Island Property held by the authority, subject only to:

(A) the restrictions, covenants, and prohibitions contained in the deed of conveyance under which the authority originally acquired title to the property, including without limitation any releases of the authority for the inundation, overflowing, or flooding of the lake;

(B) the restrictions, covenants, and prohibitions described in Section 8502.020(d);

(C) all encumbrances and other matters filed of record in the public records of the county in which the property is located;

(D) any other matters or conditions that are apparent on the ground or that would be reasonably disclosed or discovered by an inspection of the property; and

(E) any other rules, regulations, or policies of the authority in effect as of January 1, 2013, prohibiting or limiting commercial, private, or other on-water facilities for new development, and as such rules, regulations, or policies may be amended, modified, or discontinued from time to time; and
(2) the offeree shall release and agree to hold the authority harmless from, and the authority may not be held liable for, damages, claims, costs, injuries, or any other harm to any offeree or any other person or the Costello Island Property, or to any improvements on the property, caused by or arising from any temporary flooding of any portion of the Costello Island Property.

(f) Any sale of the Costello Island Property under this section must allow the authority the right to enter onto the Costello Island Property and the lake and other bodies of water, if any, located within the Costello Island Property with essential equipment for all purposes reasonably necessary for the authority to fulfill its obligations as a river authority and any obligations set forth in the FERC License, state water rights, or other governmental regulations, or for any purpose that the authority considers necessary for public safety, health, and welfare. Any exercise by the authority of rights described by this subsection may be conducted only after written notice is given to the offeree at least 48 hours in advance of entry onto the property, except in the event of an emergency, in which case advance notice is not required, but the authority shall provide written notice as soon as practicable. The authority shall use reasonable efforts to avoid interfering with the offeree's use of the Costello Island Property and shall promptly repair any damage to the property caused by the authority's entrance. Any claim to governmental immunity on behalf of the authority is waived with respect to the recovery of any damage caused by the authority's breach of this subsection.

(g) Chapters 232 and 272, Local Government Code, Section 49.226, Water Code, and Section 8502.013 of this code do not apply to a sale of property under this section.

(h) The authority may use proceeds from the sale of property under this section for any authority purpose.

(i) The authority shall reserve its interest in all oil, gas, and other minerals in and under the property to be sold, or any portion thereof, to the extent the authority owns an interest in those minerals.

(j) If the conveyance described by this section is not completed before the second anniversary of the effective date of this Act, this section shall no longer be effective and expires on the date of the second anniversary.

(k) To the extent of any conflict with other laws of this
state, this section prevails.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1179 (S.B. 918), Sec. 3, eff. June 14, 2013.

Sec. 8502.014. ACQUISITION OF PROPERTY; EMINENT DOMAIN. (a) The authority may acquire by purchase, lease, or gift or in any other manner and may maintain, use, and operate property of any kind, real, personal, or mixed, or any interest in property, within or outside the boundaries of the authority, necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred on the authority by this chapter.

(b) The authority may acquire, by purchase, condemnation, or otherwise, any property the board determines necessary to make effectual and practicable the construction and operation of all works, improvements, and services that are planned ultimately to be provided by the authority to accomplish any of the purposes for which the authority was created. The acquisition or condemnation may be either of the fee simple title or of a lesser title or an easement only, within the discretion of the board; provided, however, that a person may not be deprived of any defense available under the general law of eminent domain; and provided, further, that the authority may not acquire or operate a steam generating plant for the production and sale of electric energy and, except for the purpose of acquiring the necessary area below or above the anticipated high-water line of a reservoir, may not condemn any property of a rural electrification cooperative or other corporations engaged in the generation or sale of electric energy to the public.

(c) The authority may exercise the power of eminent domain for the purpose of acquiring by condemnation property of any kind, real, personal, or mixed, or any interest in property, within or outside the boundaries of the authority, other than property or an interest in property outside the boundaries of the authority owned by any body politic, that is necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred on the authority by this chapter, in the manner provided by general law with respect to condemnation or, at the option of the authority, in the manner provided by statutes relative to condemnation by districts organized under general law under Section 59, Article XVI, Texas Constitution.
(d) In condemnation proceedings being prosecuted by the authority, the authority is not required to give bond for appeal or bond for cost.

(e) The authority may overflow and inundate any public lands and public property and may require the relocation of roads and highways in the manner and to the extent permitted to districts organized under general law under Section 59, Article XVI, Texas Constitution.

(f) If the authority, in the exercise of the power of eminent domain or power of relocation or any other power granted under this chapter, makes necessary the relocation, raising, rerouting, changing the grade, or altering the construction of any highway, railroad, electric transmission line, or pipeline, all necessary relocation, raising, rerouting, changing of grade, or alteration of construction shall be accomplished at the sole expense of the authority.


Sec. 8502.015. CONTRACTS, GRANTS, AND LOANS. (a) The board may negotiate and contract with the federal government or with any of its agencies for grants, loans, and advancements from the United States for the furtherance of any purpose set forth in this chapter.

(b) The authority may receive and accept grants, loans, or allotments from the United States and others for furtherance of any of the purposes set forth in this chapter.

(c) An opinion from the attorney general as to whether a grant, loan, or allotment has been received by the authority from the United States or others shall be authority for the action of any person charged with any duty contingent on such grant, loan, or allotment.


Sec. 8502.016. RULES. The board may make all necessary rules for the government and control of the authority not inconsistent with the constitution and laws of the state.
Sec. 8502.017. USE OF BRAZOS RIVER AND TRIBUTARIES. In the prosecution of the plans for which the authority has been created for the storing, controlling, conserving, and distributing for useful purposes of the storm waters, floodwaters, and unappropriated flow waters of the Brazos River watershed and developed groundwater from the Brazos River basin for the use of its customers, the authority may use the bed and banks of the Brazos River and its tributary streams for any and all purposes necessary to the accomplishment of the plans of the authority.

Sec. 8502.018. DEFAULT PROCEDURES. (a) A resolution authorizing the issuance of bonds and any indenture or agreement entered into under the resolution may include provisions regarding a default on the:

(1) payment of the interest on any bonds as the interest becomes due and payable;

(2) payment of the principal of any bonds as they become due and payable, whether at maturity, by call for redemption, or otherwise; or

(3) performance of an agreement made with the purchasers or successive holders of any bonds.

(b) If a default described by Subsection (a) has occurred and has continued for a period, if any, prescribed by the resolution authorizing the issuance of the bonds, the trustee under an indenture entered into with respect to the bonds authorized by the resolution, or, if there is no indenture, a trustee appointed in the manner provided in the resolution by the holders of 25 percent in aggregate principal amount of the bonds authorized by the resolution and then outstanding may, and on the written request of the holders of 25 percent in aggregate principal amount of the bonds authorized by the
resolution and then outstanding shall, in the trustee's own name but for the equal and proportionate benefit of the holders of all the bonds, and with or without having possession of the bonds:

(1) by mandamus or other suit, action, or proceeding at law or in equity, enforce all rights of the bondholders;
(2) bring suit on the bonds or the appurtenant coupons;
(3) by action or suit in equity, require the board to act as if it were the trustee of an express trust for the bondholders;
(4) by action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the bondholders; or
(5) after such notice to the board as the resolution may provide, declare the principal of all of the bonds due and payable, and if all defaults have been made good, then with the written consent of the holders of 25 percent in aggregate principal amount of the bonds then outstanding, annul the declaration and its consequences; provided, however, that the holders of more than a majority in principal amount of the bonds authorized by the resolution and then outstanding shall, by written instrument delivered to the trustee, have the right to direct and control any and all actions taken or to be taken by the trustee under this section.

(c) A resolution, indenture, or agreement relating to bonds may provide that in a suit, action, or proceeding under this section, the trustee, whether or not all of the bonds have been declared due and payable and with or without possession of any of the bonds, is entitled as of right to the appointment of a receiver who may enter and take possession of all or part of the properties of the authority, operate and maintain the properties, and set, collect, and receive rates and charges sufficient to provide revenues adequate to pay the items specified in the resolution authorizing bonds and the costs and disbursements of the suit, action, or proceeding and apply that revenue in conformity with this chapter and the resolution authorizing the bonds.

(d) In a suit, action, or proceeding by a trustee or receiver, if any, under this section, counsel fees and expenses of the trustee and of the receiver, if any, constitute taxable disbursements, and all costs and disbursements allowed by the court shall be a first charge on any revenue pledged to secure the payment of the bonds.

(e) Subject to the provisions of the constitution, the courts
of McLennan County have jurisdiction of a suit, action, or proceeding under this section by a trustee on behalf of the bondholders and of all proceedings involved in the suit, action, or proceeding.

(f) In addition to the powers specifically provided by this section, the trustee has all powers necessary or appropriate for the exercise of the powers specifically provided or incident to the general representation of the bondholders in the enforcement of their rights.


Sec. 8502.019. LIMITED LIABILITY FOR AQUATIC HERBICIDE APPLICATION. (a) In this section, "commercially licensed aquatic herbicide applicator" means a person who holds a commercial applicator license issued by the Department of Agriculture under Chapter 76, Agriculture Code, that authorizes the application of aquatic herbicides.

(b) Except as provided by Chapter 12, Parks and Wildlife Code, an authority employee holding a noncommercial aquatic herbicide applicator license or a commercially licensed aquatic herbicide applicator working under contract with the authority is not liable for damages in excess of $2 million for personal injury, property damage, or death resulting from the application by the applicator of aquatic herbicide in compliance with applicable law and the terms of the license or permit.


Sec. 8502.020. SALE OF AUTHORITY PROPERTY. (a) Definitions. In this section:

(1) "Authority Land" means the FERC Project Area and all other real property owned by the Authority at the Lake as of the date before Closing, save and except for the Leased Tract.

(2) "Buffer Zone" means that twenty-five or fifty foot strip of land measured landward horizontally from the 1000' contour
line that is included in the FERC Project Area as defined in the FERC License.

(3) "Close" or "Closing" means the date on which the Authority transfers its interest in the Leased Tract, in whole or in part, to a Purchaser. There may be multiple closing dates if the Leased Tract is sold in portions.

(4) "Commercial Leased Land" means all or any portion of the Initial Commercial Leased Land and the Remaining Commercial Leased Land.

(5) "Consumer Price Index" means the consumer price index for Housing, Dallas–Fort Worth, TX area, Series Id: CUURA316SAH, CUUSA316SAH, Base Period: 1982-84 = 100, as published by the Bureau of Labor Statistics of the United States Department of Labor, or its equivalent substitute should this series be discontinued.

(6) "Contract" means the Authority entering into a purchase and sale agreement with a Purchaser for the transfer of the Authority's interest in the Initial Leased Tract or the Remaining Leased Tract, in whole or in part.

(7) "Driveways" means those certain private gravel and/or paved driveways that connect a Road or other street or thoroughfare to an individual Leased Tract or any improvements thereon; Driveways also includes those shared or common Driveways that serve more than one Leaseholder or individual Leased Tract.

(8) "Environmental Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Toxic Substances Control Act, the Clean Water Act, the Resource Conservation and Recovery Act and any other similar federal, state or local law, rule or regulation respecting the environment or Hazardous Materials, together with all rules and regulations promulgated thereunder and all present or future amendments thereto.

(9) "FERC License" means the order of the Federal Energy Regulatory Commission issuing a license to the Authority for project number 1490-003-Texas on September 8, 1989, as such license has been renewed, extended, or amended and may be further renewed, extended, or amended at any time and from time to time, and also including the Amendment to the original FERC License, which amendment was issued on May 15, 1980, to the extent incorporated or referenced in the FERC License.

(10) "FERC Project Area" means that portion of Authority Land that is subject to the FERC License before the Date of
Decommissioning, as identified and defined in the FERC License, as may be amended at any time and from time to time, and which FERC Project Area may move or change over time due to natural forces.

(11) "Ground Lease" means each of those certain residential and/or commercial ground leases between the Authority and a Leaseholder, and the respective heirs, successors, and assigns.

(12) "Hazardous Materials" means underground storage tanks, petroleum and petroleum products, asbestos, PCB's, urea-formaldehyde and any hazardous or toxic substances, pollutants, contaminants, wastes, or materials as defined under any Environmental Laws.

(13) "Lake" means Possum Kingdom Lake located in Young, Palo Pinto, Stephens, and Jack Counties. The boundary of the Lake is defined by the 1000' contour line, as that contour may meander and change over time with natural forces, including erosion and accretion. The "1000' contour line" means the line running along the periphery of the Lake if the surface of the Lake is at an elevation of 1000 feet above mean sea level, as measured from the top of the spillway crest gates of the Morris Sheppard Dam, as such line may move and shift from time to time due to natural forces.

(14) "Leased Tract" or "Tract" means all or any portion of the Initial Leased Tract or the Remaining Leased Tract, whether owned by the Authority, Purchaser, or Owner and whether or not subject to a lease or Ground Lease or owned in fee simple.

(15) "Leaseholder" means a person or entity that has a residential lease or a commercial lease with the Authority, including the Leaseholder's heirs, successors, and assigns.

(16) "Lienholder" means any mortgagee under a mortgage, or a trustee or beneficiary under a deed of trust, constituting a lien on any portion of the Leased Tract.

(17) "Owner" means the record holder of fee simple title to any portion of the Leased Tract sold pursuant to this section, including its heirs, personal representatives, successors, and assigns. This term does not include a Purchaser who acquires the Leased Tract from the Authority in accordance with Subsection (b).

(18) "Property" means the Leased Tract and the Authority Land.

(19) "Purchaser" means any person or entity, including its successors in interest, heirs, or assigns, that acquires the Leased Tract (or any portion thereof) from the Authority in accordance with Subsection (b). This term does not include those Leaseholders that
acquire individual Leased Tracts from the Purchaser in accordance with Subsection (b).

(20) "Ranch" means that certain subdivision of record in Palo Pinto County, Texas, according to the map or plat of record in Volume 7, Page 71, Plat Records of Palo Pinto County, Texas, as it may be amended or modified from time to time, which subdivision includes a portion of the Leased Tract and a portion of the Authority Land.


(22) "Ranch Declarations" means that certain Declaration of Covenants, Conditions and Restrictions for The Ranch on Possum Kingdom Palo Pinto County, Texas, dated December 8, 1997, as recorded in Volume 944, Page 403, Official Public Records of Palo Pinto County, Texas.

(23) "Residential Leased Land" means all or any portion of the Initial Residential Leased Land and the Remaining Residential Leased Land.

(24) "Restrictions" means the easements, covenants, restrictions, liens, encumbrances, and requirements contained in the Declaration of Restrictive Covenants, Easements, and Conditions to be recorded by the Authority as set forth in Subsection (d), as amended from time to time.

(25) "Roads" means those paved or gravel streets, roads, and thoroughfares owned and maintained by the Authority that are located in Stephens, Jack, Young, or Palo Pinto County and that provide access, ingress, and egress to and from the Leased Tract, the Lake, and/or Authority Land; provided, however, that the definition of Roads, as used herein, does not include:

(A) Driveways;

(B) paved or gravel roads located wholly within Authority public use areas;

(C) paved or gravel roads located within gated Authority operations areas; and

(D) paved or gravel roads located wholly within an individual tract that is part of the Commercial Leased Land, which roads only serve that individual commercial Tract.

(26) "Shoreline Management Plan" means that certain Possum
Kingdom Shoreline Management Plan and Customer Guide, adopted May 22, 2006, and amended July 31, 2006, and as may be revised and/or further amended by the Authority at any time and from time to time.

(27) "Undeveloped Strips" means all or any portion of the Initial Undeveloped Strips and the Remaining Undeveloped Strips.

(28) "Amendments to the Restrictions" means the amendments to the Restrictions under Subsection (d).

(29) "Date of Decommissioning" means the effective date of the surrender of the FERC License for the Morris Sheppard Dam Project No. 1490-052 under the Order Accepting the Surrender of the License (issued December 23, 2011), 137 FERC 62,252.

(30) "Initial Commercial Leased Land" means the portion of the Initial Leased Tract located wholly outside the FERC Project Area that is leased for commercial purposes as of the date the Restrictions are recorded in the applicable county records.

(31) "Initial Leased Tract" means all or any portion of the Initial Commercial Leased Land, the Initial Residential Leased Land, and the Initial Undeveloped Strips, whether owned by the Authority, Purchaser, or Owner and whether or not subject to a lease or Ground Lease or owned in fee simple.

(32) "Initial Residential Leased Land" means the portion of the Initial Leased Tract located outside the FERC Project Area that is leased only for single-family residential purposes as of the date the Restrictions are recorded in the applicable county records. The term does not include land that is subject to a commercial lease that may be subleased for residential purposes.

(33) "Initial Undeveloped Strips" means small strips of unleased land located between individual lots in the Initial Leased Tract and small parcels of land between the Initial Leased Tract and Roads that the Authority determines in its sole discretion to include in a sale of all or any portion of the Initial Leased Tract.

(34) "Remaining Commercial Leased Land" means the portion of the Remaining Leased Tract that is located wholly or partly within the FERC Project Area as of the date preceding the Date of Decommissioning and that is leased for commercial purposes as of the date the Amendments to the Restrictions are recorded in the applicable county records. The term does not include a special use lease, hangar lease, grass lease, hunting lease, or mineral lease, any other lease for noncommercial purposes, or any portion of the Initial Commercial Leased Land.
"Remaining Leased Tract" means all or any portion of the Remaining Commercial Leased Land, the Remaining Residential Leased Land, and the Remaining Undeveloped Strips, whether owned by the Authority, Purchaser, or Owner and whether or not subject to a lease or Ground Lease or owned in fee simple.

"Remaining Residential Leased Land" means the portion of the Remaining Leased Tract that is located wholly within the FERC Project Area as of the date preceding the Date of Decommissioning and that is leased only for single-family residential purposes as of the date the Amendments to the Restrictions are recorded in the applicable county records. The term does not include land that is subject to a commercial lease that may be subleased for residential purposes. The term does not include a special use lease, hangar lease, grass lease, hunting lease, or mineral lease, any other lease for nonresidential purposes, or any portion of the Initial Residential Leased Land. The term does not include a lease of land in the Buffer Zone that is subject to a residual interest that will automatically vest on the Date of Decommissioning or other expiration or termination of the FERC License.

"Remaining Undeveloped Strips" means small strips of unleased land located between individual lots in the Remaining Leased Tract and small parcels of land between the Remaining Leased Tract and Roads that the Authority determines in its sole discretion to include in a sale of all or any portion of the Remaining Leased Tract.

(b) Sale to Purchaser. Prior to January 1, 2011, the Authority may sell the Initial Leased Tract in whole or in part, to a Purchaser in accordance with applicable law, this subsection, and Subsections (d), (e), (f), (g), (h), and (i). For a period of two years after the Date of Decommissioning, the Authority may sell the Remaining Leased Tract in whole or in part, to a Purchaser in accordance with applicable law, this subsection, and Subsections (d), (e), (f), (g), (h), and (i). Any sale of the Initial Leased Tract or the Remaining Leased Tract to a Purchaser under this subsection shall be subject to the following:

(1) Each Leaseholder shall have the opportunity to buy such Leaseholder's individual portion of the Leased Tract from the Purchaser or to continue leasing the applicable portion of the Leased Tract from the Purchaser in accordance with the following purchase or lease options. The Purchaser shall:
(A) Permit the Leaseholder to purchase such Leaseholder's individual Leased Tract in cash or through lender financing for 90% of land only assessed value without any exemptions (as determined by the appraisal district) for the year 2008 if the tract is part of the Initial Leased Tract, or for the year 2012 if the tract is part of the Remaining Leased Tract, such options to be available at Closing as set forth in Subdivision (2) and for a period of at least one year from Closing.

(B) Permit the Leaseholder to purchase for the percent of assessed value only as set forth in Paragraph (A) such Leaseholder's individual portion of the Leased Tract via seller financing, with a down payment of ten percent (10%) and an interest rate of six percent (6%), with a 30-year amortization, such seller financing option to be available at Closing as set forth in Subdivision (2) and for a period of at least one year from Closing to the Leaseholder of any portion of the Commercial Leased Tract and to the Leaseholder of any portion of the Residential Leased Tract to the extent the Leaseholder of any portion of the Residential Leased Tract qualifies for financing under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. No. 111-203) and any related regulations. The Leaseholder shall not be charged any origination fees or points by the Purchaser as a part of the closing costs involved in the seller financing option.

(C) Offer a new 99-year lease at a rental rate of 6% of the land only assessed value without any exemptions (as determined by the appraisal district) for the year 2008 if the tract is part of the Initial Leased Tract, or the 2012 land only assessed value without any exemptions if the tract is part of the Remaining Leased Tract, with annual Consumer Price Index increases or decreases, such options to be available for a period of at least one year from Closing. The 99-year lease will include an option for the Leaseholder to purchase the applicable portion of the Leased Tract at the land only assessed value without any exemptions (as determined by the appraisal district) at the time of purchase (but not less than the 2008 land only assessed value without any exemptions if the tract is part of the Initial Leased Tract, or the 2012 land only assessed value without any exemptions if the tract is part of the Remaining Leased Tract).

(D) Offer a new 20-year lease with a rental rate as determined by the current Authority lease rate methodology or other
lease rate structure as set forth in the Ground Lease as applicable (and including increases and adjustments to such rates) with annual Consumer Price Index increases or decreases, to Leaseholders who are over the age of 65 and who receive an ad valorem tax exemption under Section 11.13, Tax Code, for a structure on the Leaseholder's individual Leased Tract, such option to be available for a period of at least one year from the date of Closing. The Leaseholder must have received the ad valorem tax exemption for a structure on the Leaseholder's individual Leased Tract by January 1, 2009, if the tract is part of the Initial Leased Tract or January 1, 2013, if the tract is part of the Remaining Leased Tract. The 20-year lease will include an option for the Leaseholder to purchase the applicable portion of the Leased Tract at the land only assessed value without any exemptions (as determined by the appraisal district) at the time of purchase (but not less than the 2008 land only assessed value without any exemptions if the tract is part of the Initial Leased Tract or the 2012 land only assessed value without any exemptions if the tract is part of the Remaining Leased Tract).

(E) Ratify the existing Ground Lease of any Leaseholder who does not timely exercise one of the foregoing options, such ratification to include:

(i) adoption of the current Authority lease rate methodology or other lease rate structure as set forth in the Ground Lease, as applicable (and including increases and adjustments to such rates) for a period of 8 years from Closing;

(ii) an option permitting the Leaseholder to purchase such Leaseholder's individual portion of the Leased Tract for the land only assessed value without any exemptions (as determined by the appraisal district) at the time of purchase, or for the year 2008 if the tract is part of the Initial Leased Tract, or for the year 2012 if the tract is part of the Remaining Leased Tract, whichever is greater, for a period of 8 years from Closing; and

(iii) an agreement to extend Ground Leases as necessary to allow for this full 8-year purchase option period.

Nothing in this subsection shall preclude the Purchaser from offering additional purchase or lease options to the Leaseholders, provided any additional options are made available to all similarly situated Leaseholders on an equal basis.

(2) A Leaseholder who desires to buy such Leaseholder's individual Leased Tract from the Purchaser pursuant to the option set
forth in either Subdivision (1)(A) or (B) concurrently with the Purchaser's Closing must exercise the desired option as follows:

(A) notify the Authority and Purchaser in writing within 90 days after the effective date of the Contract between the Authority and Purchaser of Leaseholder's intent to purchase the applicable Leased Tract;

(B) Leaseholder and Purchaser will enter into a purchase and sale agreement in substantially the form as agreed to between the Authority and Purchaser, which form will be attached to the Contract, and which individual purchase and sale agreements will be ratified by Purchaser at the Closing; the purchase and sale agreement shall contain, at a minimum, the following terms and conditions:

(i) the purchase price for the individual Leased Tract in accordance with the applicable purchase option;

(ii) earnest money in the amount of $1,000 to be delivered to the title company agreed to by Leaseholder and Purchaser and approved by the Authority along with the executed purchase and sale agreement;

(iii) the Leaseholder's obligation to provide a survey as set forth in this subsection and a title commitment from the agreed upon title company;

(iv) a 60-day period commencing on the date of the purchase and sale agreement for the Leaseholder to obtain financing (if exercising its option pursuant to Subdivision (1)(A) above);

(v) the Leaseholder must notify Purchaser of any objections to any items on the title commitment and/or survey within fifteen (15) days after receipt of same, but in no event less than 45 days prior to the anticipated date of Closing, provided however that neither the Purchaser nor the Authority shall have any obligation to cure any such items or to incur any expenses in curing any items, except that Purchaser and/or the Authority, as applicable, shall use good faith efforts to address and/or remove those requirements or exceptions shown on Schedule C of the title commitment that are applicable to or created by the Purchaser and/or Authority, as applicable, and, notwithstanding the foregoing, neither the Purchaser nor the Authority shall have any obligation to cure any exceptions on the attached Schedule C regarding legal right of access to or from the applicable Leased Tract;

(vi) Leaseholder is purchasing the applicable
individual Leased Tract in its "as-is" condition and Purchaser shall have no obligation to make any improvements or modifications thereto, nor will Purchaser make any representations or warranties as to the condition or use of the applicable Leased Tract;

(vii) Purchaser shall not be responsible for any broker fees or commissions due to any broker or agent engaged or claiming to have been engaged by Leaseholder for the purchase and sale of the applicable Leased Tract;

(viii) Purchaser shall be responsible for costs related to the release of any existing liens placed on the applicable portion of the Leased Tract by Purchaser, including prepayment penalties and recording fees, release of Purchaser's loan liability to the extent applicable to the individual Leased Tract, tax statements or certificates, preparation of the deed, and one-half of any escrow fee;

(ix) Leaseholder shall be responsible for any costs associated with a loan or financing for the applicable portion of the Leased Tract, including, without limitation, loan origination, discount, buy-down, and commitment fees, appraisal fees, loan application fees, credit reports, preparation of loan documents, loan-related inspection fees, and interest on the notes from the date of disbursement to date of first monthly payment; the cost of the survey; recording fees; copies of easements and restrictions; mortgagee title policy with endorsements required by lender, if any; one-half of any escrow fee; any prepaid items, including without limitation, insurance premiums and reserves and taxes; underwriting fee; and any title policy (including endorsements) obtained by Leaseholder;

(x) Taxes will be prorated as of the date of Closing; if taxes are not paid as of the date of Closing, then Leaseholder shall be responsible for the payment of taxes; and

(xi) the agreement between Leaseholder and Purchaser shall be contingent on Closing occurring within the timeframes set forth in this subsection.

(C) Leaseholder shall deliver to Authority and Purchaser no less than forty-five days prior to Closing, at the Leaseholder's expense, an accurate survey of the individual Leased Tract (including any Undeveloped Strips being included in such Leased Tract), which survey is acceptable to the Authority and Purchaser. To be acceptable to the Authority and Purchaser, the survey must:
(i) be acceptable to the title company selected by the Purchaser and Leaseholder and approved by the Authority for purposes of issuing any policy of title insurance on the applicable portion of the Leased Tract;

(ii) be prepared by a licensed state land surveyor or a registered professional land surveyor acceptable to the Authority;

(iii) include the boundary of the Leaseholder's Leased Tract and any Undeveloped Strips being conveyed, which boundaries must be consistent with the master survey prepared on behalf of the Authority in conjunction with the sale of the Leased Tract to the Purchaser;

(iv) include all improvements on the Leased Tract and indicate any encroachments across the applicable boundary lines; Leaseholder must provide evidence that any such encroachments across boundary lines, including encroachments onto Authority Land, have been cured by the Leaseholder (either by removal of such encroachment or by written agreement between the affected parties permitting such encroachment to continue) prior to the survey being deemed acceptable; and

(v) be reviewed and approved by the Authority and Purchaser; the Authority, Purchaser, and their representatives or agents may perform an inspection of the applicable Leased Tract to verify the accuracy of the survey and any encroachments thereon;

(D) On or before Closing, the purchase and sale agreement between the Leaseholder and Purchaser and any earnest money that may be required pursuant to such agreement shall be timely delivered to a title company or escrow agent acceptable to the Authority and agreed to by Leaseholder and Purchaser in such agreement;

(E) On or before Closing, Purchaser and Leaseholder shall complete all documentation necessary to effectuate transfer of the applicable Leased Tract from the Purchaser to the Leaseholder and deliver such completed and executed documents to the applicable escrow agent; and

(F) Promptly after Closing, the deed and any other applicable documents effectuating transfer of such Leased Tract to the Leaseholder shall be recorded in the county records where the Leased Tract is located promptly after such escrow agent receives written notice from the Authority or title company or escrow agent
facilitating the Closing of the Leased Tract from the Authority to Purchaser that such Closing has been completed and the necessary documents have been recorded pursuant to such Closing. In no event shall the deed or any other documents transferring the applicable portion of the Leased Tract to the Leaseholder be recorded prior to Closing.

(3) Closing shall occur no later than December 31, 2010, for the Initial Leased Tract and not later than two years after the Date of Decommissioning for the Remaining Leased Tract. The Authority shall post on its website no later than thirty days after entering into a Contract for sale with Purchaser the effective date of such Contract and the anticipated date of Closing, which date shall be at least six (6) months from the effective date of the Contract. Any changes to the anticipated date of Closing shall also be posted on the Authority's website. These dates shall be used to establish the time periods provided in Subdivision (2).

(c) Sale to Leaseholders. This subsection shall only apply to, and be effective for, those portions of the Remaining Leased Tract (if any) for which Closing has not occurred on or before the second anniversary of the Date of Decommissioning, pursuant to Subsection (b), in which case the effective date of this subsection shall be the second anniversary of the Date of Decommissioning. Upon the effective date of this subsection, the Authority shall suspend any applicable sale efforts under Subsection (b) for a period of two years beginning on the effective date of this subsection and initiate a tract by tract sale of the Remaining Leased Tract to the then-current Leaseholders as follows:

(1) For a period of two years beginning on the effective date of this subsection and in accordance with the procedures set forth in this subsection, and subject to Subsections (d), (e), (f), (g), (h), and (i), the Authority shall provide Leaseholders the opportunity to purchase their individual portion of the Remaining Leased Tract directly from the Authority. Leaseholders shall have until the expiration of such two-year period to submit a completed application of intent to purchase their individual Remaining Leased Tracts as provided by Subdivision (4).

(2) The Authority shall determine if, and how, any Remaining Undeveloped Strips will be divided between adjacent Leaseholders and incorporated into any individual Remaining Leased Tract; provided, however, Leaseholders shall not be required to
accept any such Remaining Undeveloped Strips.

(3) On or before the effective date of this subsection, the
Authority shall make available to the Leaseholders a form for an
application of intent to purchase the Leaseholder's individual
Remaining Leased Tract. Such application shall be deemed a contract
subject to the provisions set out herein. The application of intent
shall provide the Leaseholder a 30-day feasibility period beginning
on the date such application is submitted in which the Leaseholder
can determine the feasibility of purchasing the applicable individual
Remaining Leased Tract, including the ability of such Leaseholder to
obtain financing for such purchase.

(4) A Leaseholder who desires to purchase such
Leaseholder's individual Remaining Leased Tract must submit a
completed application to the Authority on or before the second
anniversary of the effective date of this subsection. An application
will be deemed "complete" upon the following:

(A) Leaseholder delivers to the Authority an executed
application of intent to purchase with all required information
included in the application;

(B) Leaseholder delivers an earnest money deposit, in
good funds acceptable to the title company or escrow agent selected
by the Authority, in the amount of $1,000 to such title company or
escrow agent, which earnest money shall be nonrefundable after the
expiration of the feasibility period except in the event closing does
not occur due to the fault of the Authority;

(C) any and all rent and other fees or amounts due to
the Authority pursuant to such Leaseholder's Ground Lease have been
paid and there are no amounts then outstanding which are past due;

(D) Leaseholder has delivered to the Authority a survey
that is acceptable to the Authority of the applicable Remaining
Leased Tract (and any Remaining Undeveloped Strips being included in
such Remaining Leased Tract). To be acceptable to the Authority, the
survey must:

(i) be acceptable to the title company selected by
the Authority for purposes of issuing any policy of title insurance
on the applicable portion of the Remaining Leased Tract;

(ii) be prepared by a licensed state land surveyor
or a registered professional land surveyor acceptable to the
Authority;

(iii) include the boundary of the Leaseholder's

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Remaining Leased Tract and any Remaining Undeveloped Strips being conveyed, which boundaries must be consistent with the master survey of the Remaining Leased Tract prepared on behalf of the Authority;

(iv) include all improvements on the Remaining Leased Tract and indicate any encroachments across the applicable boundary lines, including encroachments onto Authority Land; Leaseholder must provide evidence that any such encroachments across boundary lines have been cured by the Leaseholder (either by removal of such encroachment or by written agreement between the affected parties permitting such encroachment to continue) prior to the survey being deemed acceptable; and

(v) be reviewed and approved by the Authority; the Authority or its representatives or agents may perform an inspection of the individual Remaining Leased Tract to verify the accuracy of the survey and any encroachments thereon.

(E) Leaseholder has delivered to the Authority a title commitment and, if requested by the Authority, any exception documents referenced therein, prepared by the applicable title company or escrow agent selected by the Authority; and

(F) Leaseholder has delivered to the Authority written evidence from Leaseholder's lender or financial institution that Leaseholder has the financing or funds available, as applicable, to complete the purchase of Leaseholder's Remaining Leased Tract.

(5) Completed applications that are timely delivered will be accepted and processed by the Authority in the order in which they are received; except that the Authority shall give preference in processing applications to Leaseholders who receive an ad valorem tax exemption under Section 11.13, Tax Code, for a structure on the Leaseholder's Remaining Leased Tract.

(6) An individual Remaining Leased Tract sold under this subsection shall be sold for 90% of the land only assessed value without any exemptions, as determined by the appraisal district, for the year in which the Leaseholder's application of intent to purchase is submitted to the Authority, or for the year 2012, whichever is greater.

(7) The Leaseholder purchasing such Leaseholder's Remaining Leased Tract is responsible for:

(A) timely paying all rent and other fees or amounts due to the Authority pursuant to such Leaseholder's Ground Lease through the date of closing on the Leaseholder's portion of the
Remaining Leased Tract;

(B) obtaining and delivering to the Authority a survey of the applicable Remaining Leased Tract in accordance with Subdivision (4)(D) and curing any encroachments shown thereon, all at Leaseholder's expense;

(C) obtaining and delivering to the Authority, at such Leaseholder's expense, a title commitment in accordance with Subdivision (4)(E); the Authority may, but shall have no obligation to, cure any objections that Leaseholder may have to the exceptions, covenants, easements, reservations or any other items reflected on the title commitment; provided, however, that the Authority shall use good faith efforts to address and/or remove those requirements or exceptions shown on Schedule C of the title commitment that are applicable to or created by the Authority, and, notwithstanding the foregoing, the Authority shall have no obligation to cure any exceptions on the attached Schedule C regarding legal right of access to or from the applicable Remaining Leased Tract;

(D) delivering to the applicable title company or escrow agent on or before closing on the Leaseholder's Remaining Leased Tract, in good funds, the purchase price and all reasonable, normal, customary, and documented costs associated with the transfer of the individual Remaining Leased Tract to the Leaseholder including, without limitation, all escrow fees, recording fees, taxes on the land after the date of such closing, document preparation fees, the cost of any Title Policy (including any endorsements thereon) obtained by Leaseholder, and any costs associated with removing any liens on the applicable Remaining Leased Tract; and

(E) timely delivering to the escrow agent any notices, statements, affidavits, or other documents required by the application, escrow agent, or at law to effectuate the transfer of the applicable Remaining Leased Tract to the Leaseholder.

(8) For those completed applications of intent to purchase timely delivered to the Authority under this subsection, the purchase must be completed no later than the expiration of 30 months after the effective date of this subsection. For any individual Remaining Leased Tract for which closing has not occurred by such date, the application shall be deemed terminated. The Authority shall not accept any applications of intent to purchase after the second anniversary of the effective date of this subsection; and any applications of intent to purchase that are delivered to the
Authority prior to such date but that are not "complete" as of such date in accordance with Subdivision (4) shall be rejected by the Authority. Leaseholders submitting an application of intent to purchase their individual Remaining Leased Tracts are responsible for ensuring that such application is deemed "complete" on or before the second anniversary of the effective date of this subsection.

(9) Any Ground Lease that would otherwise expire shall be automatically extended as necessary for one year terms to permit such Leaseholder the full two-year period to deliver such application of intent to purchase such Leaseholder's individual Remaining Leased Tract and to complete such transaction no later than the expiration of 30 months after the effective date of this subsection.

(10) The Owner of a Remaining Leased Tract sold under this subsection shall pay the Authority any reasonable fees set by the Authority for any services the Owner accepts from the Authority. However, the Owner of a Remaining Leased Tract is under no obligation to accept services from the Authority.

(11) Any Remaining Leased Tract subject to the Ranch Agreement shall only be subject to sale under this subsection if the Authority is released from its obligations under the Ranch Agreement relating to such Remaining Leased Tract.

(12) The following laws do not apply to sale of an individual Remaining Leased Tract under this subsection:

(A) Chapter 272, Local Government Code;
(B) Section 49.226, Water Code; and
(C) Section 8502.013 of this code.

(13) A provision that applies to the Leaseholder of an individual Remaining Leased Tract under this section applies to any subsequent Owner of the individual Remaining Leased Tract.

(14) At closing on the individual Remaining Leased Tract, the Leaseholder shall pay any indebtedness secured by a lien on the Leaseholder's leasehold estate (including the applicable portion of the Buffer Zone that is part of the leasehold estate) or deliver the express written consent of the Lienholder on the leasehold estate in the Remaining Leased Tract permitting the Leaseholder to grant a purchase money lien on the fee simple estate in the Remaining Leased Tract.

(15) At the closing of the applicable Remaining Leased Tract, the Authority will deliver a special warranty deed.

(16) For any portion of the Remaining Leased Tract that has
not been sold pursuant to this subsection on or before the expiration of 30 months after the effective date of this subsection, the Board shall sell any such remaining portion of the Remaining Leased Tract pursuant to terms and conditions determined by such Board.

(d) Restrictions on Property. The Property is subject to the Restrictions recorded in Palo Pinto, Stephens, Young, and Jack Counties, as amended from time to time. After the Date of Decommissioning and before the date the Remaining Leased Tract is conveyed under Subsection (b) or (c), the Authority, without requiring the consent of any Owner, shall further amend the Restrictions and record the Amendments to the Restrictions in the records of each applicable county, which amendments must (i) add the Remaining Commercial Leased Land as part of the Commercial Leased Land in the Restrictions; (ii) add the Remaining Residential Leased Land as part of the Residential Leased Land in the Restrictions; (iii) add the Remaining Undeveloped Strips as part of the Undeveloped Strips in the Restrictions; (iv) add the Remaining Leased Tract as part of the Leased Tract; and (v) otherwise amend the Restrictions to be substantively in accordance with the following:

(2) Each Owner, Purchaser, and Leaseholder shall agree to not block, restrict, or otherwise prohibit access over, through, or across any Road and further agrees that such Roads or portion thereof shall remain open for use by the Authority, other Owners or Purchasers, lessees of any portion of the Property (including Leaseholders) and the general public. Except for (i) those portions of the Property that are accessible by water only as of the effective date of the Restrictions, and/or (ii) restrictions of access existing as of the effective date of the Restrictions (e.g., access to and from public roads that requires traversing real property not owned by the Authority, Owners, or Purchasers hereunder), and/or (iii) the covenants and restrictions of the Ranch Declarations (to the extent applicable to the Roads) or other restrictive covenants existing prior to the date the Restrictions are recorded of record, no Owner, Purchaser, or Leaseholder shall be permitted to block, restrict, or otherwise prohibit access on, over, or across the Roads.

(3) The Driveways are not part of the Roads and shall be maintained by the Owner, Purchaser, or Leaseholder of the applicable Driveways. No Owner, Purchaser, or Leaseholder shall obstruct, prevent, or otherwise restrict access on, over or across any portion of a common Driveway by any such other Owner, Purchaser, or
Leaseholder, or their guests or invitees, whose portion of the Property is served by such common Driveway. Owners, Purchasers, and/or Leaseholders whose portion of the Property is served by a common Driveway shall at all times have a nonexclusive right of ingress and egress over and across such common Driveway to access their portion of the Property.

(4) All grants and dedications of easements, rights-of-way, restrictions, and related rights affecting the Leased Tract, made prior to the Leased Tract becoming subject to the Restrictions and any Amendments to the Restrictions that are of record, or visible or apparent, shall be incorporated into such Restrictions by reference and made a part of the Restrictions for all purposes as if fully set forth therein and shall be construed as being adopted in each and every contract, deed, or conveyance executed or to be executed by or on behalf of the Authority conveying any part of the Leased Tract. The foregoing adoption of such easements includes, without limitation, any and all written easements or agreements, whether or not recorded, between the Authority and any other party for the installation, maintenance, repair, or replacement of utility lines located on, above, over, under, or beneath the Property.

(5) The Authority shall reserve for itself and its successors, assigns, and designees the nonexclusive right and easement, but not the obligation, to enter upon the Property, the Lake and other bodies of water, if any, located within the Property (a) to install, keep, maintain, and replace pumps in order to obtain water for the irrigation of any portion of the Authority Land, (b) to construct, maintain, replace, and repair any wall, dam, or other structure retaining water therein, (c) to access, construct, maintain, replace, and repair any measurement stations, monuments, or other similar improvements, (d) to remove trash and other debris, and (e) to fulfill the Authority's obligations as a river authority and any obligations set forth in state water rights or other governmental regulations. The Authority and its designees shall have an access easement through, over, and across any portion of the Leased Tract to the extent reasonably necessary to exercise the rights and responsibilities under this subdivision; provided, however, that (i) the Authority shall provide written notice at least 48 hours in advance of such entry to the Purchaser or Owner of such portion of the Leased Tract (except in the event of an emergency, in which case advance notice shall not be required, but the Authority shall provide
such written notice as soon as practicable thereafter); (ii) the Authority shall promptly repair any damage to the portion of the Leased Tract caused by the Authority's entrance onto such Owner's or Purchaser's portion of the Leased Tract; and (iii) the Authority shall use reasonable efforts to avoid interfering with the Owner's or Purchaser's use of the portion of the Leased Tract.

(6) The Authority shall reserve for itself and its successors, assigns, and designees a perpetual right, power, privilege, and easement to occasionally overflow, flood, and submerge that portion of the Property located at or below the elevation contour of 1015' above mean sea level in connection with the Authority's operation and maintenance of the Lake. The Authority shall have no liability to any Owner, Purchaser, Leaseholder, or any other person for any damages, claims, costs, injuries, or liabilities to any person or the Property or any improvements thereon that are caused by or arise from any act or omission by the Authority in connection with the foregoing right and easement.

(7) Additional land may be included in the Property or Leased Tract at any time by the Authority, as long as the Authority owns any portion of the Property, by recording an amendment to these Restrictions in each of the counties in which the Property is located. Upon such additions, the Restrictions shall apply to the added land and the rights, privileges, duties, and liabilities of the Owners or Purchasers subject to the Restrictions shall be the same with respect to the added land as with respect to the Property originally covered by the Restrictions. As additional lands are added hereto, the Authority shall, with respect to said land, record amendments that may incorporate the Restrictions therein by reference and that may supplement or modify the Restrictions with such additional covenants, restrictions, and conditions that may be appropriate for those added lands.

(8) The Restrictions may not be modified in any respect whatsoever or terminated, in whole or in part, except with the consent of (i) the Owners or Purchasers of at least sixty percent (60%) of the individual lots that comprise the Residential Leased Land and Commercial Leased Land, and (ii) the Owners or Purchasers of at least sixty percent (60%) of the land area of the Authority Land, and (iii) the Authority, for so long as the Authority has any interest in the Property, whether as an Owner or otherwise. Notwithstanding the foregoing, the Authority, without the joinder of
any other party, shall have the absolute right to make minor changes or amendments to the Restrictions to correct or clarify errors, omissions, mistakes, or ambiguities contained therein. No amendment shall be effective until such amendment has been recorded in the Official Public Records of each of the counties in which the Property is located.

(9) No improvements (except as specifically set forth in Subdivision (11)) shall be constructed or located on the Leased Tract within twenty-five feet (25') landward measured horizontally from the 1000' contour line of the Lake, a meander line that changes over time due to natural forces, such as erosion and accretion; provided, however, this restriction shall not include improvements inside this setback that are existing at the time the Restrictions are filed that have been approved in writing by the Authority. In addition, no improvements on the Leased Tract (or any portion thereof) shall be constructed or located within five feet (5') of any other boundary line (i.e., the side and back boundary lines), other than fences; provided, however, this restriction shall not include improvements located within this 5' setback that are existing at the time the Restrictions are filed and that have been approved in writing by the Authority.

(11) Erosion control improvements (such as retaining walls, rip rap, etc.) and landscape planting may not be constructed or located at or below the 1000' contour line without the prior written approval of the Authority. Such improvements shall be subject to the terms and conditions set forth in the Restrictions and in the Authority's regulations, including without limitation, the Shoreline Management Plan.

(12) No Owner, Purchaser, or Leaseholder shall have the right to place, or permit to be placed, any advertisements, private notices, signs, or billboards on the Residential Leased Land except that temporary signage customarily found on residential property may be placed on the Residential Leased Land at the reasonable discretion of the Owner, Purchaser, and/or Leaseholder of that portion of the Residential Leased Land.

(13) No activities shall be conducted on the Leased Tract and no improvements constructed on the Leased Tract that are or might be unsafe or hazardous to any person or property.

(14) No Owner, Purchaser, Leaseholder, or occupant of any portion of the Leased Tract shall use or permit the use, handling,
generation, storage, release, disposal, or transportation of Hazardous Materials on, about, or under the Leased Tract except for such quantities that are routinely utilized in connection with residential use (for all portions of the Leased Tract except the Commercial Leased Land) or for commercial uses that are in compliance with the Restrictions (for the Commercial Leased Land), and that are stored, used, and disposed of in compliance with all Environmental Laws. Each Owner, Purchaser, and Leaseholder shall indemnify, defend, protect, and save the Authority, its successors and assigns, trustees, directors, employees, and officers and each other Owner, Purchaser, and Leaseholder, harmless from and against, and shall reimburse such indemnified parties for, all liabilities, obligations, losses, claims, damages, fines, penalties, costs, charges, judgments, and expenses, including, without limitation, reasonable attorneys' fees and expenses that may be imposed upon or incurred or paid by or asserted against such indemnified parties by reason of or in connection with such Owner's, Purchaser's, or Leaseholder's failure to comply with this subdivision.

(15) No Owner or Purchaser shall conduct, or permit to be conducted, any activity on the Leased Tract that is improper, immoral, noxious, annoying, creates a nuisance, or is otherwise objectionable to other Owners or Purchasers or incompatible with the recreational use of the Lake and the Authority Land.

(16) The Residential Leased Land (and any Undeveloped Strips that are conveyed to an Owner or Purchaser as part of the Residential Leased Land pursuant to Subsection (b) or (c)) shall be improved and used solely for single-family residential use, inclusive of a garage, fencing, and other such related improvements as are necessary or customarily incident to normal residential use and enjoyment and for no other use. No portion of the Residential Leased Land (and any Undeveloped Strips that are conveyed to an Owner or Purchaser as part of the Residential Leased Land pursuant to Subsection (b) or (c)) shall be used for manufacturing, industrial, business, commercial, institutional, or other nonresidential purpose, save and except as set forth in Subdivision (17). Notwithstanding the foregoing, Owners, Purchasers, and/or Leaseholders shall be permitted to conduct a "garage sale" on their respective portion of the Residential Leased Land (and any Undeveloped Strips that are conveyed to an Owner or Purchaser as part of the Residential Leased Land pursuant to either Subsection (b) or (c)) not more than one time
per calendar year.

(17) No professional, business, or commercial activity to which the general public is invited shall be conducted on the Residential Leased Land (and any Undeveloped Strips that are conveyed to an Owner or Purchaser as part of the Residential Leased Land pursuant to Subsection (b) or (c)); except an Owner, Purchaser, Leaseholder, or occupant of a residence may conduct business activities within a residence so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence; (b) the business activity conforms to all zoning requirements; (c) the business activity does not involve door-to-door solicitation of residents, lessees, Leaseholders, Owners, or Purchasers within the Property; (d) the business does not generate a level of vehicular or pedestrian traffic or a number of vehicles parked within the Property that is noticeably greater than that which is typical of residences in which no business activity is being conducted; and (e) the business activity is consistent with the residential character of the Residential Leased Land and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents, lessees, Owners, Purchasers, or Leaseholders of the Property. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis that involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (x) such activity is engaged in full or part-time; (y) such activity is intended to or does generate a profit; or (z) a license is required. Leasing of a residence shall not be considered a business or trade within the meaning of this subsection. This subdivision shall not apply to any activity conducted by the Authority.

(18) Except as may be otherwise provided in the Restrictions and any Amendments to the Restrictions, Commercial Leased Land (and any Undeveloped Strips that are conveyed to an Owner or Purchaser as part of the Commercial Leased Land pursuant to Subsection (b) or (c)) may be improved and used for any lawful commercial purpose, including without limitation, nonprofit organizations or governmental or quasi-governmental agencies.
(19) No portion of the Leased Tract may be used for the commercial testing or development of wind power, or to produce, lease, store, and/or transmit electrical power generated thereby for commercial or resale purposes.

(20) Each Owner or Purchaser shall keep, or cause to be kept, all improvements located on its respective portion of the Leased Tract maintained in good condition and repair, clean and free of rubbish and other hazards, and otherwise in full accordance with the Restrictions and all governmental rules, regulations, codes, and zoning requirements. Such maintenance shall include, but not be limited to, the following: regular and timely removal of all litter, garbage, trash, and waste; regular lawn mowing; tree, shrub, and plant pruning and trimming; watering of landscaped areas; weed control; pest control; maintaining exterior lighting and mechanical facilities in good working order; keeping walks and driveways clean and in good repair; and the repairing and repainting of the exterior improvements visible to neighboring properties and/or public view.

(21) In the event of any damage to or destruction of any building or improvement on any portion of the Leased Tract from any cause whatsoever, the Owner, Purchaser, or Leaseholder upon whose portion of the Leased Tract the casualty occurred shall, at such Owner's, Purchaser's, or Leaseholder's sole option, either (i) repair, restore, or rebuild and complete the same with reasonable diligence, (ii) clear the affected area of all hazardous or dangerous debris and structures and lawfully dispose of same within one year from the date of casualty, or (iii) effectuate any combination of clauses (i) and (ii) of this subdivision as such Owner, Purchaser, or Leaseholder may deem reasonably appropriate. Notwithstanding the foregoing, in the event the Owner, Purchaser, or Leaseholder elects to rebuild buildings or improvements that were located within twenty-five feet (25') landward measured horizontally from the 1000' contour line that were approved in accordance with Subdivision (9), such buildings or improvements shall be rebuilt in accordance with Subdivision (24).

(22) The Texas Commission on Environmental Quality has adopted rules governing on-site sewage facilities (also called septic systems). The Authority is the commission's authorized agent for the septic system licensing program, including the enforcement of the commission's septic system rules and regulations for the Property. The Authority, as the agent for the commission, shall have the
authority to access the Property for the purpose of issuing such licenses, inspecting such septic systems, and enforcing any and all rules and regulations related thereto. Each Owner, Purchaser, and Leaseholder agrees to comply with all sanitary regulations and the licensing process adopted by the commission and enforced by the Authority, as its agent, from time to time.

(23) The Owner or Purchaser shall be responsible, at such Owner's or Purchaser's expense, for providing for the collection, removal, and disposal of all solid waste on the Leased Tract; or the Owner or Purchaser of any portion of the Leased Tract shall be responsible for ensuring that the Leaseholders provide for such collection, removal, and disposal of all solid waste on the applicable portion of the Leased Tract. In the event the Ranch fails to provide for the collection, removal, and disposal of all solid waste related to the Ranch, the Owner or Purchaser shall be responsible for providing for the same.

(24) An Owner, Purchaser, or Leaseholder may repair, alter, or rebuild improvements located above the 1000' contour line but within 25' landward measured horizontally from the 1000' contour line, and/or improvements located within the 5' boundary setback, which improvements were previously approved in accordance with Subdivision (9). Such repairs, alterations, or rebuilding may extend such improvements outside the previously existing footprint towards the side boundaries and back boundary of the applicable Leased Tract, but such improvements may not be extended towards the shoreline or encroach closer to the 1000' contour line of the Lake than the existing or previously existing improvements.

(25) The Authority shall reserve its rights, title, and interest in all oil, gas, and other minerals in and under any and all Property, including the Leased Tract.

(26) No land located at or below the 1000' contour line shall be improved, used, or occupied, except in such manner as shall have been approved by the Authority. No docks, piers, on-water facilities, retaining walls, or any other structures or facilities shall be built, installed, or maintained in, on, or over the waters of the Lake except as authorized by the Authority. All such structures or facilities shall be subject to all rules and regulations applicable to the Lake, as the same may be adopted or amended from time to time. Owner, Purchaser, and/or the Leaseholder shall be responsible for any fees or annual charges assessed by the Authority.
Authority for such permit or improvements and shall be responsible for ensuring that any such improvements are consistent with the Shoreline Management Plan and all other rules and regulations applicable to the Property. Owner or Purchaser shall not, at any time, permit any liens to encumber the Authority Land.

(27) No use of the Lake or other bodies of water within the Property, if any, shall be made except in accordance with the Shoreline Management Plan, the Authority's regulations, and any other rules and regulations that may be promulgated by the Authority at any time and as amended from time to time. Any such use shall be subject to the Authority's superior use rights. The Authority shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of the Lake or other bodies of water within or adjacent to the Property.

(28) The Authority may use and regulate the Lake or other bodies of water within the Property for the irrigation of the Authority Land, or for any other purpose deemed appropriate by the Authority, subject to the rights and authority of any other governmental entity having jurisdiction of such areas, and subject to the water rights granted (or which may be granted) to the Authority by the State of Texas. The Authority's rights under this subdivision shall be superior to any rights of any Owner, Purchaser, or Leaseholder. This subdivision shall not be construed to limit or restrict the rights and authority of any other governmental entity having jurisdiction of the Property.

(29) Owners or Purchasers must obtain written permission from the Authority in accordance with the Authority's regulations to use or divert water from the Lake on any portion of the Leased Tract for domestic or commercial purposes.

(30) No Owner, Purchaser, or Leaseholder shall be permitted to divert or alter the natural drainage of the terrain or clear vegetation on any portion of the Property in such a manner that would cause unnatural erosion or silting of the Lake.

(31) Owners, Purchasers, and Leaseholders shall take all reasonable precautions to ensure that all use of and activities on the Leased Tract, including without limitation, the construction, operation, and maintenance of any improvements on the Leased Tract occur in a manner that will protect the scenic, recreational, and environmental values of the Lake. The Authority has specific approval authority on any proposed construction that impacts the
lakeland, and Owner, Purchaser, and Leaseholder shall comply with the approval process as may be established by the Authority from time to time.

(33) The Owner, Purchaser, and Leaseholder of any portion of the Property shall comply with all of the following rules and regulations, as applicable:

(A) the Authority's "Regulations for Governance for Brazos River Authority Lakes and Associated Lands," as published on the Authority's Internet website and as those regulations may be amended from time to time; and

(B) other rules and regulations adopted by the Authority regarding conduct on and use of the Lake.

(34) By Texas statute, the Authority is empowered to adopt and has adopted certain regulations governing conduct on and use of the Property and Lake. Owners, Purchasers, Leaseholders, and persons using the Leased Tract with such Owners' or Purchasers' consent shall abide by all such rules and regulations adopted from time to time by the Authority and any future revisions and amendments thereto.

(35) Owners, Purchasers, and Leaseholders of that portion of the Leased Tract that is part of the Ranch shall comply with the terms and conditions of the Ranch Agreement and the covenants and restrictions set forth in the Ranch Declarations, to the extent applicable to such portion of the Leased Tract. As to that portion of the Property that is part of the Ranch, the Ranch Declarations shall control in the event of any conflict between the covenants, restrictions, and conditions set forth in the Ranch Declarations and the Restrictions. Owners, Purchasers, and Leaseholders of a portion of the Leased Tract that is part of any other subdivision shall comply with the terms and conditions of the covenants and restrictions governing the subdivision that apply to the portion of the Leased Tract. Any portion of the Property that is part of the subdivision is governed by the restrictions and covenants governing the subdivision which shall control in the event of a conflict between the covenants, restrictions, and conditions governing the subdivision and the Restrictions.

(36) In order to maintain the quality of the Lake's water, the stability of the shoreline, and of the environment in the Lake's vicinity, each Owner, Purchaser, and Leaseholder of all or any portion of the Leased Tract agrees to:

(A) comply with any local, state, or federal laws
related to water quality or the environment, including laws governing toxic wastes and hazardous substances;

(B) if the Owner's or Purchaser's private on-site sewerage facility is not licensed by the Texas Commission on Environmental Quality (or any successor to such Commission) then the Owner, Purchaser, or Leaseholder shall connect to and use, at the Owner's, Purchaser's, or Leaseholder's expense, as applicable, any wastewater treatment system or service that becomes available to the Owner's or Purchaser's portion of the Leased Tract, not later than twelve (12) months after the system or service becomes available to such portion of the Leased Tract and thereafter discontinue use of any private on-site sewerage facility; and if, at any time after a wastewater treatment system or service becomes available to the Owner's or Purchaser's portion of the Leased Tract, the Owner's or Purchaser's private on-site sewerage facility (whether licensed or not) requires either replacement or an alteration or change in the on-site sewerage facility resulting in (i) an increase in the volume of permitted flow, (ii) a change in the nature of permitted influent, (iii) a change from the planning materials approved by the permitting authority, (iv) a change in construction, and/or (v) an increase, lengthening, or expansion of the treatment or disposal system, then such Owner or Purchaser shall promptly connect to and use, at the Owner's, Purchaser's, or Leaseholder's expense, as applicable, such wastewater treatment system or service and thereafter discontinue use of any private on-site sewerage facility. Notwithstanding the foregoing, in the event a property owners association or municipality requires the Owners or Purchasers of the portion of the Leased Tract that is included in such association or municipality to connect to a wastewater system or service, then such association or municipality rules shall control;

(C) obtain written consent of the Authority prior to diverting or pumping water from the Lake or any body of water within or adjacent to the Property, constructing or erecting any embankment or retaining wall, or commencing any dredging activity; and

(D) pay to the Authority any reasonable fee related thereto (e.g., water usage, recreational user, dredging, or retaining wall fees) as may be adopted from time to time by the Authority.

(37) Each Owner or Purchaser of all or any portion of the Leased Tract agrees and acknowledges that the water level in the Lake varies and that the Authority is not responsible for maintaining the
Lake at any certain level or above or below any certain level.

(38) The Authority is not responsible or liable for any personal injury or damage to any Owner, Purchaser, Leaseholder, the Leased Tract, the Property, or any improvements caused by any increase or decrease in the water level (even if such increase or decrease is due to modifications of the Morris Sheppard (Possum Kingdom) Dam or other actions or omissions of the Authority) or caused by natural flooding.

(39) The Authority shall reserve the right of ingress and egress for the Authority and any person authorized by the Authority, including an agent of the Authority or employees, over and across the Leased Tract and any and all on-water facilities whether located within the Leased Tract or Authority Land for all reasonable purposes of the Authority, including, without limitation, the construction, maintenance, repair, and/or replacements of any roads, drainage facilities, and power, water, wastewater, and other utility mains and lines that the Authority considers necessary or beneficial and for public safety, health, and welfare purposes; provided however, that:

(A) the Authority shall provide written notice at least 48 hours in advance of such entry to the Purchaser or Owner of such portion of the Leased Tract (except in the event of an emergency, in which case advance notice shall not be required, but the Authority shall provide such written notice as soon as practicable thereafter), which notice shall state with reasonable specificity the purpose for such entry;

(B) the Authority shall promptly repair any damage to the portion of the Leased Tract caused by the Authority's entrance onto such Owner's or Purchaser's portion of the Leased Tract; and

(C) the Authority shall use reasonable efforts to avoid interfering with the Owner's or Purchaser's use of the portion of the Leased Tract.

(40) Each Owner, Purchaser, and Leaseholder shall comply strictly with the Restrictions, as the same may be amended from time to time. Failure to comply with the Restrictions shall constitute a violation of the Restrictions, and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by the Authority or other Owners or Purchaser; provided however, no Owner, Purchaser, Leaseholder, or other person shall have any right of action against the Authority arising under the Restrictions.
(41) The Authority shall make no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms, or provisions. Any Owner, Purchaser, or Leaseholder acquiring or leasing, as applicable, any portion of the Property in reliance on one or more of the Restrictions shall assume all risks of the validity and enforceability thereof and, by acquiring such portion of the Property, agrees to hold the Authority harmless therefrom.

(42) If the Owner, Purchaser, or Leaseholder of any portion of the Leased Tracts or on-water facilities related thereto (including retaining walls) shall fail to comply with the requirements of the Restrictions, then the Authority shall have the right, but not the obligation, following thirty (30) days prior written notice to such defaulting person to enter such defaulting person's portion of the Leased Tract (but only if such failure to comply results in a public health, safety, or welfare concern) and/or such defaulting person's on-water facility and cure such breach, the cost of which shall be reimbursed by such defaulting person to the Authority upon demand. Any such unpaid amounts, together with interest thereon (at the rate of six percent (6%) per annum) and the costs of collection (if any), shall be charged as a continuing lien against such defaulting person's portion of the Leased Tract, which lien shall be subordinate to the lien of any third-party deed of trust previously recorded against such defaulting person's portion of the Leased Tract.

(43) A person shall be deemed to be in default of the Restrictions only upon the expiration of thirty (30) days (ten (10) days in the event of failure to pay money) from receipt of written notice from the Authority or other Owner or Purchaser specifying the particulars in which such person has failed to perform the obligations of the Restrictions unless such person, prior to the expiration of said thirty (30) days (ten (10) days in the event of failure to pay money), has rectified the particulars specified in said notice of default. However, such person shall not be deemed to be in default if such failure (except a failure to pay money) cannot be rectified within said thirty (30) day period and such person commences the cure of such default within such thirty (30) day period and thereafter is continuously using good faith and its best efforts to rectify the particulars specified in the notice of default.

(44) The Authority shall have the right, but not the
obligation, to enforce all of the provisions of the Restrictions. Any Owner or Purchaser shall have the right to enforce all of the provisions of the Restrictions against any other Owner, Purchaser, or Leaseholder, but not against the Authority. Such right of enforcement shall include the right to sue for both damages for, and injunctive relief against, the breach of any such provision. Furthermore, the Authority shall have the right, when appropriate in its sole judgment and discretion, to claim or impose a lien upon any portion of the Leased Tract, or improvement constructed thereon, in order to enforce any right or effect compliance with the Restrictions.

(45) The failure of a person (including the Authority or any Owner or Purchaser) to insist upon strict performance of any of the Restrictions shall not be deemed a waiver of any rights or remedies that said person may have, and shall not be deemed a waiver of any subsequent breach or default in the performance of any of the Restrictions by the same or any other person.

(46) The Authority shall not be liable to any Owner, Purchaser, or Leaseholder, or to any other person for any loss, damage, or injury arising out of or in any way connected with the performance or nonperformance of the Authority's rights, obligations, or privileges under the Restrictions. Without limiting the foregoing, the Authority shall not be liable to any Owner, Purchaser, or Leaseholder due to the construction of any improvements within the Property.

(47) Each of the Restrictions on the Leased Tract shall be a burden on each portion of the Leased Tract, shall be appurtenant to and for the benefit of the other portions of the Property, other portions of the Leased Tract, and each part thereof, and shall run with the land.

(48) The Restrictions shall inure to the benefit of and be binding upon the Owners or Purchasers, their heirs, successors, assigns, and personal representatives, and upon any person acquiring all or any portion of the Leased Tract, or any interest therein, whether by operation of law or otherwise. Notwithstanding the foregoing, if any Owner or Purchaser sells or transfers all or any portion of such Owner's or Purchaser's interest in all or any portion of the Leased Tract, such Owner or Purchaser shall, upon the sale and conveyance of title, be released and discharged from all of its obligations as Owner or Purchaser in connection with the property.
sold by it arising under the Restrictions after the sale and conveyance of title but shall remain liable for all obligations arising under the Restrictions prior to the sale and conveyance of title. The new Owner or Purchaser of all or any such portion of the Leased Tract, (including, without limitation, any Owner (or Lienholder) who acquires its interest by foreclosure, trustee's sale or otherwise) shall be liable for all obligations arising under the Restrictions with respect to such portion of the Leased Tract on and/or after the date of sale and conveyance of title. The Authority may assign, in whole or in part, any of its privileges, exemptions, rights, and obligations (if any) under the Restrictions to any other person and may permit the participation, in whole or in part, by any other person in any of its privileges, exemptions, rights, and obligations (if any) hereunder.

(49) Except as provided in this subsection, the term of the Restrictions shall be for a period of fifty (50) years from the date such Restrictions are executed by the Authority. Notwithstanding the foregoing, upon the expiration of such period, the term of the Restrictions shall automatically renew for successive periods of five (5) years each unless, at least ninety (90) days prior to the date of expiration of any period then in effect, (i) the Owners or Purchasers of at least sixty percent (60%) of the individual lots that comprise the Residential Leased Land and the Commercial Leased Land, (ii) the Owners or Purchasers of at least sixty percent (60%) of the land area of the Authority Land, and (iii) the Authority, for so long as the Authority has any interest in the Property, whether as an Owner or otherwise, duly execute, acknowledge and record in the office of the recorder of the counties in which the Property is located a written termination notice, in which event, the Restrictions shall automatically expire at the end of the period then in effect.

(50) Any subdivision by an Owner of the Owner's portion of the Leased Tract is subject to all applicable laws, rules, regulations, codes, and ordinances, including any applicable platting requirements, and any rules and restrictions relating to on-site sewage facilities.

(e) Buffer Zone. Notwithstanding any provision in this subsection to the contrary, a sale under Subsection (b) or (c) shall be subject to the following:

(1) The Remaining Leased Tract being conveyed under Subsection (b) or (c) shall include the applicable portion of the
Buffer Zone; provided, however, the Purchaser and/or Owner, as applicable, shall grant the Authority access to the Buffer Zone and Lake to allow the Authority to fulfill its obligations as a River Authority and any obligations set forth in state water rights or other governmental regulations.

(2) At the time of Closing on the Initial Leased Tract under Subsection (b), a portion of the Initial Leased Tract is located within the Buffer Zone and is a part of the FERC Project Area, and therefore the Authority shall provide such Purchaser and/or Owner, as applicable, a residual interest in that portion of the Buffer Zone adjacent to the Initial Leased Tract and covered by the applicable residential Ground Lease, such residual interest to automatically vest upon satisfaction of one of the following conditions:

(A) the Federal Energy Regulatory Commission approves an amendment to the FERC License removing the Buffer Zone from the boundaries prescribed by the FERC License such that the Buffer Zone is no longer subject to regulation by the Federal Energy Regulatory Commission;

(B) the FERC License expires (and is not renewed or extended) or is otherwise terminated and thus the Buffer Zone is no longer subject to regulation by the Federal Energy Regulatory Commission; or

(C) the Date of Decommissioning occurs.

(3) Notwithstanding the foregoing, if such residual interest has not vested on or before August 31, 2040, then such residual interest shall be terminated and of no further force and effect. Upon satisfaction of one of the foregoing conditions prior to August 31, 2040, this conveyance shall be automatically effective without necessity of further documentation. From and after the date such conveyance becomes effective, the Buffer Zone shall be considered to be a part of the Initial Leased Tract conveyed under Subsection (b) and the Purchaser or then current Owner of the applicable Initial Leased Tract shall be the beneficiary of the residual interest created herein, but only as to the portion of the Buffer Zone located adjacent to the Purchaser's or Owner's property and all right, title, and interest in such adjacent portion of the Buffer Zone as measured by extending the boundary lines on both sides of the applicable portion of the Initial Leased Tract in a straight line across the Buffer Zone to the then current 1000' contour line of
the Lake, or, if such portion cannot reasonably be measured as set forth above, then as otherwise determined by the Purchaser and approved by the Authority. Such residual interest shall immediately vest in the Purchaser or then-current Owner of such adjacent portion of the Initial Leased Tract without the necessity of any additional written conveyance.

(4) Until the residual interest in the Buffer Zone vests in the Purchaser or then-current Owner of the adjacent portion of the Initial Leased Tract as set forth in Subdivision (3), such Buffer Zone shall remain subject to the terms and conditions of the residential Ground Lease in effect between the Leaseholder and the Authority at the time Closing occurs under Subsection (b); provided, however, no rent shall be due the Authority under such Ground Lease for the Buffer Zone. At such time as the applicable Ground Lease expires or is otherwise terminated, the Authority may, subject to approval of the Federal Energy Regulatory Commission, grant the Purchaser or the then-current Owner of the adjacent tract (as determined pursuant to the method set forth in Subdivision (2)(B)), an easement for use of such portion of the Buffer Zone, which easement shall be subject to the FERC License. The Authority shall retain ownership of such portion of the Buffer Zone and exercise control over such portion of the Buffer Zone consistent with the FERC License and this subsection. The easement granted to such Owner shall be limited to uses permitted under the terms of the FERC License and the Authority's Shoreline Management Plan, and any other Authority rules and regulations as may be adopted from time to time.

(f) Purchase Price. For purposes of determining the purchase price and/or lease rate pursuant to the options set forth in Subsection (b)(1) or the purchase price in Subsection (c), in the event the appraisal district does not provide an assessed value for the applicable portion of the Leased Tract for the applicable year, then the land only assessed value without any exemptions for the applicable portion of the Leased Tract shall be calculated based on the assessed value per square foot of comparable lots with similar physical characteristics in the applicable county or adjoining counties, as determined by the Authority.

(g) Roads. Authority or Purchaser, whichever is applicable, shall transfer its interest in the Roads to the applicable county in which the Roads, or any portion thereof, are situated as follows:

(1) All Roads located in Stephens County (approximately
(2) All Roads located in Palo Pinto County (approximately forty-six miles of Roads) shall be transferred to Palo Pinto County in twenty percent increments of the total mileage per year for five consecutive years. The first twenty percent increment shall be transferred on or before December 31, 2011, and each remaining twenty percent increment shall be transferred on or before December 31 of each subsequent year, but not before January 1 of such year unless approved by an order or resolution of the Palo Pinto County Commissioners Court, with the final twenty percent increment being transferred on or before December 31, 2015, but not before January 1, 2015, unless approved by an order or resolution of the Palo Pinto County Commissioners Court.

(3) Authority or Purchaser, whichever is applicable, in consultation with the Palo Pinto County Commissioner or Commissioners who have jurisdiction over the Leased Tract, shall determine which Roads or portions thereof shall be transferred each year.

(4) The transfer of any portion of the Roads located within the FERC Project Area shall be in accordance with the FERC License and may be in the form of a grant of a right-of-way or easement, unless otherwise authorized by the Federal Energy Regulatory Commission.

(5) Beginning on the date of transfer, the Authority or Purchaser, whichever is applicable, shall no longer have any obligations regarding such Roads. The Roads shall be transferred in their "as-is" condition and neither the Authority nor the Purchaser shall have any obligation to ensure that the Roads, or any portion thereof, comply with the standards in effect at the time of transfer in the applicable county for like roads currently maintained by that county.

(6) Concurrently with the transfer in each year of a portion of the Roads, the Authority or Purchaser, as applicable, shall transfer to Palo Pinto County the amount, rounded to the nearest dollar, computed by multiplying $200,000 by a fraction the numerator of which is the number of miles of Roads located in and transferred to Palo Pinto County in that year and the denominator of which is the total number of miles of Roads located in and transferred or to be transferred to Palo Pinto County. For every other county in which a portion of the Roads is located, the
Authority or Purchaser, as applicable, shall transfer an amount equal to (A) the per mile road payment (as defined below) multiplied by (B) the number of miles of the Roads located in such county. As used in this subdivision, "per mile road payment" means the amount, rounded to the nearest dollar, computed by dividing $200,000 by the total number of miles of Roads located in and transferred or to be transferred to Palo Pinto County pursuant to this subsection.

(7) Notwithstanding any provision in this subsection to the contrary, the Authority or Purchaser, as applicable, shall retain ownership of any portion of a Road that is inaccessible to the public. For purposes of this subdivision, a portion of the Road is considered inaccessible to the public if, as of the effective date of the Act enacting this section, the public can only access such portion of the Road by crossing property not owned by the Authority or Purchaser, as applicable, and not subject to an easement or other ownership interest that allows the public to cross such property without restriction. If a retained portion of a Road subsequently becomes accessible to the public, the Authority or Purchaser, as applicable, shall transfer such retained portion, including any interest the Authority or Purchaser has in any additional Road constructed or acquired by the Authority or Purchaser in order to make the retained portion of the Road accessible to the public, to the applicable county in accordance with the process set forth in this subsection, or in the event such portion of the Road becomes accessible to the public after December 31, 2015, within one (1) year of such retained portion of the Road becoming accessible.

(h) Platting. A sale of the Leased Tract under this section shall not be subject to Chapter 232, Local Government Code, or any other platting requirement.

(i) Mineral Interests. The Authority shall reserve its interest in all oil, gas, and other minerals in and under the Leased Tract (or any portion thereof) sold under this section.

(j) Expiration of Requirement to Sell. The requirement that the Authority conduct a sale of the Remaining Leased Tract under Subsection (b) or (c) expires on December 31, 2016, if the FERC License is not terminated by decommissioning or otherwise.

Added by Acts 2009, 81st Leg., R.S., Ch. 192 (H.B. 3031), Sec. 1, eff. May 27, 2009.

Amended by:
CHAPTER 8503. LOWER COLORADO RIVER AUTHORITY

Sec. 8503.001. CREATION. (a) A conservation and reclamation district to be known as the "Lower Colorado River Authority" is created. The authority is a governmental agency and a body politic and corporate.

(b) The authority is created under and is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution, including the control, storing, preservation, and distribution of the waters of the Colorado River and its tributaries within the boundaries of the authority for irrigation, generation of electric energy and power, and other useful purposes; the reclamation and irrigation of arid, semiarid, and other lands needing irrigation; the development of parks on lands owned or acquired by the authority; and the conservation and development of the forests, water, and electric power in this state.

(c) Nothing in this chapter or in any other law shall be construed as authorizing the authority to levy or collect taxes or to create any indebtedness payable out of taxes or in any way to pledge the credit of this state.


Sec. 8503.002. DEFINITIONS. In this chapter:

(1) "Authority" means the Lower Colorado River Authority.

(2) "Board" means the board of directors of the authority.

(2-a) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a member of the board.

eff. September 1, 2007.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 606, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8503.0021. APPLICATION OF SUNSET ACT. (a) The authority is subject to review under Chapter 325, Government Code (Texas Sunset Act), but may not be abolished under that chapter. The review shall not include the management of the generation or transmission of electricity under the wholesale electricity operation of the authority and the authority's affiliated nonprofit corporations. The review shall be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2019, and every 12th year after that year.

(b) In anticipation of the sunset review under Subsection (a), based on the results of an audit, including a performance-related audit, conducted by the state auditor before December 1, 2016, the state auditor may make recommendations to the legislature, including whether a review conducted under Subsection (a) should include the financial operation and management of the generation or transmission of electricity under the wholesale electricity operation of the authority and the authority's affiliated nonprofit corporations.

(c) The authority shall pay the cost incurred by the Sunset Advisory Commission in performing the review under Subsection (a). The Sunset Advisory Commission shall determine the cost, and the authority shall pay the amount promptly on receipt of a statement from the Sunset Advisory Commission detailing the cost.

Added by Acts 2015, 84th Leg., R.S., Ch. 1148 (S.B. 523), Sec. 7, eff. June 19, 2015.

Sec. 8503.003. TERRITORY. The authority consists of the territory included within the boundaries of the counties of Blanco, Burnet, Llano, Travis, Bastrop, Fayette, Colorado, Wharton, San Saba, and Matagorda.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 222.003 by Acts 2007, 80th Leg.,
Sec. 8503.004. POWERS AND DUTIES. (a) Except as expressly limited by this chapter, the authority has all the powers, rights, privileges, and functions conferred by general law on any district or districts created under Section 59, Article XVI, Texas Constitution.

(b) The authority may control, store, and preserve, within the boundaries of the authority, the waters of the Colorado River and its tributaries and the lands of the authority for any useful purpose and may use, distribute, and sell those waters, within the boundaries of the authority or within the boundaries of the watershed that contributes inflow to the Colorado River below the intersection of Coleman, Brown, and McCulloch counties, for any such purpose.

(c) The authority may develop and generate water power and electric energy within the boundaries of the authority and may distribute and sell water power and electric energy, within or outside the boundaries of the authority.

(d) Within the boundaries of the authority, the authority may prevent or aid in the prevention of damage to person or property from the waters of the Colorado River and its tributaries.

(e) Within the boundaries of the authority, the authority may forest and reforest and aid in the foresting and reforesting of the watershed area of the Colorado River and its tributaries, and the authority may prevent and aid in the prevention of soil erosion and floods within the watershed area.

(f) The authority may acquire by purchase, lease, or gift or in any other manner provided by law and may maintain, use, and operate property of any kind, real, personal, or mixed, or any interest in property, within or outside the boundaries of the authority that is necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred on the authority by this chapter.

(g) The authority may acquire by condemnation property of any kind, real, personal, or mixed, or any interest in property, within or outside the boundaries of the authority, other than property or an interest in property outside the boundaries of the authority owned by a body politic, that is necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred on the authority by this chapter. The authority shall exercise the condemnation power in the manner provided by general law with respect...
to condemnation or, at the option of the authority, in the manner provided by state law relating to condemnation by districts organized under general law under Section 59, Article XVI, Texas Constitution.

(h) Subject to the provisions of this chapter, the authority may sell or otherwise dispose of property of any kind, real, personal, or mixed, or any interest in the property, that is not necessary to the conduct of the business of the authority.

(i) The authority may overflow and inundate within the boundaries of the authority any public lands and public property and may require the relocation of roads, pipelines, transmission lines, railroads, cemeteries, and highways in the manner and to the extent permitted to districts organized under general law under Section 59, Article XVI, Texas Constitution.

(j) The authority may construct, extend, improve, maintain, and reconstruct, cause to be constructed, extended, improved, maintained, and reconstructed, and use and operate facilities of any kind necessary or convenient to the exercise of its powers, rights, privileges, and functions.

(k) The authority may sue and be sued in its corporate name.

(l) The authority may adopt and use a corporate seal.

(m) The authority may make bylaws for the management and regulation of its affairs.

(n) The authority may appoint officers, agents, and employees, prescribe their duties, and set their compensation.

(o) The authority may make contracts and execute instruments necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred on the authority by this chapter or permitted by general law.

(p) The authority may borrow money for its corporate purposes on notes or other written evidence of indebtedness for a period not to exceed five years as may be authorized from time to time by an affirmative vote of 12 members of the board and repay the loans or indebtedness from the proceeds of bonds of the authority at the next bond offering. The authority may borrow money and accept grants from the United States, this state, or any corporation or agency created or designated by the United States or this state and, in connection with the loan or grant, may enter into an agreement that the United States, this state, or the corporation or agency requires. The authority may make and issue negotiable bonds for money borrowed in the manner provided by Sections 8503.013 and 8503.014 or other
general law. This chapter does not authorize the issuance of any bonds, notes, or other evidences of indebtedness of the authority except as specifically provided by this chapter or other general law.

(q) The authority may provide for the study, correcting, and control of both artificial and natural pollution, including organic, inorganic, and thermal, of all groundwater or surface water of the Colorado River and its tributaries within the boundaries of the authority. The authority may adopt by ordinance rules with regard to the pollution, both artificial and natural, and possesses police power to enforce its rules. The authority may provide a reasonable penalty for the violation of any rule. The penalty is cumulative of any penalties fixed by the general law of this state. A penalty under this subsection may not exceed the limit for penalties provided by Section 49.004, Water Code. An ordinance enacted under this section may not be adopted in any county or counties outside the existing boundaries of the authority.

(r) As a necessary aid to the conservation, control, preservation, purification, and distribution of surface waters and groundwater of the Colorado River and its tributaries within the boundaries of the authority, the authority may construct, own, operate, maintain, or otherwise provide sewage gathering, treatment, and disposal services, including waste disposal services, and may make contracts regarding those services with the United States, this state, counties, municipalities, and others. The authority shall charge the actual cost of those services.

(s) The authority may develop and manage parks, recreational facilities, and natural science laboratories and may promote the preservation of fish and wildlife within the boundaries of the authority. The authority may negotiate contracts with any county, municipality, municipal corporation, person, firm, corporation, nonprofit organization, or state or federal agency for the operation and maintenance of any such park, recreational facility, or natural science laboratory. The preservation of fish and wildlife shall be in accordance with the rules of the Parks and Wildlife Commission. Notwithstanding any other provisions of this chapter, the board may charge and collect reasonable entrance, gate, or use fees for the development, management, and use of parks and recreational facilities developed in whole or in part by the authority.

(t) The authority may enter into agreements authorized by Chapter 163, Utilities Code, to acquire, install, construct, operate,
enlarge and make additions to, and own and operate electric power and energy generating facilities as provided by that chapter, in joint ownership with others, either as cotenants or under any other arrangements that are approved by a three-fourths vote of the statutory membership of the board. In accordance with and subject to the terms of the agreements, if any, the authority may sell or otherwise dispose of any or all of its interest in the jointly owned electric power and generating facilities. This subsection does not apply to generating facilities or other property wholly owned by the authority.

(u) The authority may do any and all other acts or things necessary or convenient, including controlling the use of the surface of a lake or island located in the lake developed by the authority and levying a charge for the commercial use of the lake or island, to the exercise of all powers, rights, privileges, authority, or functions conferred on the authority by the constitution, this chapter, or any law.

(v) The authority may enter into contracts with this state through the comptroller providing for direct sale by the authority of electrical power to this state for use in buildings or other facilities owned, leased, or rented by this state in Travis County.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 222.004 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(b), eff. September 1, 2007. Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(g), eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. 937 (H.B. 3560), Sec. 1.116, eff. September 1, 2007.

Sec. 8503.005. LIMITATIONS OF AUTHORITY. (a) The authority may not use for irrigation purposes any water under any permit or permits acquired from any other company or person unless the use is expressly authorized and granted to the authority by the commission or its predecessor agency under authority of law. In considering subsequent applications by the authority, the commission shall at all times consider the needs of the people living within and on lands lying within the watershed of the Colorado River and its tributaries
(b) Notwithstanding any rights or permits issued by the commission or its predecessor agency that are held or acquired by the authority, the impounding and use of the floodwaters of the Colorado River or its tributaries for the generation of hydroelectric power by the authority or anyone who may succeed to the rights and privileges conferred on the authority by this chapter are subject to the rights of a person, municipal corporation, or body politic that, under legal grant of authority, is impounding and putting to beneficial use the waters if the person, municipal corporation, or body politic:

(1) has received a permit for the use from the commission, or its predecessor agency; or

(2) is permitted by law to impound water for the purposes described by this subsection.

(c) Nothing in this chapter shall be construed to require a municipal corporation or body politic to surrender to the authority any rights described by this section to which it may be legally entitled.

(d) This chapter may not be construed to subject to condemnation by the authority or any successor, or by anyone who may succeed to the rights and privileges conferred on the authority by this chapter, any waters:

(1) impounded or to be impounded within or outside the authority under any law authorizing water to be impounded or under any permits granted to a municipal corporation or body politic; or

(2) impounded or permitted to be impounded or used outside the authority under permits legally granted to any person.

(e) Nothing in this chapter shall be construed as depriving any person or municipality of the right, legally granted, to impound the waters of the Colorado River or its tributaries for authorized beneficial uses or as repealing any law granting those rights to persons and municipalities.

(f) The rights of the authority to impound or use or sell the waters of the Colorado River and its tributaries for the generation of hydroelectric power are subordinate and inferior to the rights of:

(1) municipalities situated within the boundaries of the authority to build dams and impound floodwaters solely for municipal purposes;

(2) municipalities and bodies politic within the watershed of the Colorado River outside the authority to build dams or impound
floodwaters for municipal purposes; and

(3) bodies politic within the watershed of the Colorado River to build dams and impound the floodwaters within the watershed of the Colorado River and its tributaries for domestic purposes inside and outside the boundaries of the authority.

(g) The title to any rights, properties, licenses, franchises, or permits acquired by the authority shall be subject to the limitations imposed by Subsection (f).


Sec. 8503.006. BOARD OF DIRECTORS. (a) The powers, rights, privileges, and functions of the authority shall be exercised by the board. The board shall consist of 15 directors and shall include at least one director from each of the counties named in Section 8503.003 except Travis County, which shall have two directors. Three directors shall be appointed at large from the counties served with electric power, other than the counties included in Section 8503.003.

(b) A director appointed at large may not serve for a period of more than six consecutive years. A county other than a county included in Section 8503.003 may not be represented on the board for more than six consecutive years. A county other than Travis County may not have two directors for a period greater than six consecutive years.

(c) All directors shall be appointed by the governor with the advice and consent of the senate for staggered terms of six years, with five members' terms expiring on February 1 of each odd-numbered year.

(d) Each director must be a resident and freehold property taxpayer of the county from which the director is appointed and must have been a resident and taxpayer of that county for not less than the two years preceding the director's appointment. Not more than two directors may be residents of the same county.

(e) A person is not eligible for appointment as a director if the person has, during the three years preceding the person's appointment, been employed by an electric power and light company, a telephone company, or any other utility company.
(f) At the expiration of the term of a director, a successor shall be appointed by the governor with the advice and consent of the senate. Each director shall hold office until the expiration of the term for which the director was appointed and until a successor has been appointed and has qualified, unless removed sooner as provided by this section.

(g) A director may be removed by the governor for inefficiency, neglect of duty, or misconduct in office after at least 30 days' written notice of the charges against the director and an opportunity to be heard in person or by counsel at a public hearing.

(h) The governor shall appoint a person to fill a vacancy on the board for the unexpired term.

(i) Each director shall qualify by taking the official oath of office prescribed by the constitution or general laws of the state.

(j) Each director is entitled to receive fees of office of not more than $150 per day and reimbursement of actual expenses incurred in accordance with Chapter 49, Water Code. However, no director may be paid per diem in excess of 150 days in any one calendar year.

(k) Eight directors constitute a quorum at any meeting and, except as otherwise provided by this chapter or in the bylaws, all action may be taken by the affirmative vote of a majority of the directors present at any meeting, except that bonds, notes, or other evidence of indebtedness are subject to the requirements of Sections 8503.004(p) and 8503.013(f), and no amendment of the bylaws shall be valid unless authorized or ratified by the affirmative vote of at least eight directors, unless otherwise specifically provided by this chapter.

(l) The board is a state board as contemplated by Section 30a, Article XVI, Texas Constitution.


Sec. 8503.007. OFFICERS; GENERAL MANAGER; EMPLOYEES. (a) The governor shall designate a director as the presiding officer of
the board to serve in that capacity at the pleasure of the governor. The board shall elect one of their number as an assistant presiding officer.

(b) The board shall select a secretary, who shall keep true and complete records of all proceedings of the board. Until the appointment of a secretary or in the event of the secretary's absence or inability to act, the board shall select a secretary pro tempore.

(c) The board shall select a general manager. The general manager is the chief executive officer of the authority.

(d) The board shall select a treasurer, who may also hold the office of secretary.

(e) The officers described in Subsections (b)-(d) have the powers and duties, hold office for the term, and are subject to removal in the manner as may be provided in the bylaws.

(f) The board shall set the compensation of the officers. The board may appoint the officers described in Subsections (b)-(d), agents, and employees, may set their compensation and term of office and the method by which they may be removed, and may delegate to them the power and duties it determines proper.


Sec. 8503.008. DISBURSEMENT OF FUNDS; SURETY BONDS. (a) The money of the authority may be disbursed only by checks, drafts, orders, or other instruments signed by the persons authorized by the bylaws or a resolution concurred in by no fewer than a majority of all the directors.

(b) The general manager, the treasurer, and all other officers, agents, and employees of the authority charged with the collection, custody, or payment of any funds of the authority must give bond conditioned on the faithful performance of their duties and an accounting for all funds and property of the authority coming into their hands.

(c) The bonds must be in a form and amount, and with a surety company authorized to do business in this state, approved by the board.

(d) The premiums on the bonds shall be paid by the authority
and charged as an operating expense.


Sec. 8503.009. OFFICE; RECORDS. (a) The domicile of the authority is in the city of Austin, Travis County, where the authority shall maintain its principal office in the charge of the general manager.

(b) The authority shall keep complete and accurate accounts conforming to approved methods of bookkeeping.

(c) The accounts and all contracts, documents, and records of the authority shall be kept at the principal office. The accounts and contracts shall be open to public inspection at all reasonable times.

(d) The board shall cause to be made and completed, within 90 days after the end of each fiscal year, an audit of the books of account and financial records of the authority for that fiscal year. The audit shall be made by an independent certified public accountant or firm of certified public accountants.

(e) Copies of a written report of the audit certified by the accountant or accountants must be placed and kept on file with the commission, with the comptroller, and at the principal office of the authority, and be open to public inspection at all reasonable times.


Sec. 8503.010. CONFLICT OF INTEREST. The provisions of Chapter 171, Local Government Code, apply to conflicts of interest in the award of authority contracts.

Sec. 8503.011. RATES AND CHARGES. (a) The board shall establish and collect rates and other charges for the sale or use of water, water connections, power, electric energy, or other services sold, furnished, or supplied by the authority. The fees and charges must be reasonable and nondiscriminatory and sufficient to produce revenues adequate to:

1. pay all expenses necessary to the operation and maintenance of the properties and facilities of the authority;
2. pay the interest on and principal of all bonds issued under this chapter as the interest and principal become due and payable;
3. pay the principal and interest on any legal debt created by the authority;
4. pay all sinking fund and reserve fund payments agreed to be made with respect to bonds and payable out of those revenues, as the payments become due and payable; and
5. fulfill the terms of any agreements made with the bondholders or with any person on their behalf.

(b) Out of the revenues that may be received in excess of those required for the purposes specified in Subsection (a), the board may:

1. establish a reasonable depreciation and emergency fund;
2. retire, by purchase and cancellation or redemption, bonds issued under this chapter; or
3. apply the excess revenues to any corporate purpose.

(c) The rates and charges of the authority may not be in excess of what is necessary to fulfill the obligations imposed on the authority by this chapter or other law. Nothing in this chapter shall be construed as depriving this state of its power to regulate and control fees or charges to be collected for the use of water, water connections, power, electric energy, or other service; provided, however, that this state pledges to and agrees with the purchasers and successive holders of the bonds and other written evidence of indebtedness issued under this chapter that this state will not limit or alter the power vested in the authority to establish and collect fees and charges that will produce revenues sufficient to pay the items specified in Subsection (a), or in any way impair the rights or remedies of creditors or bondholders, or of any person on their behalf, until the bonds and other written evidence of indebtedness, together with the interest on the bonds or indebtedness and the interest on unpaid installments of interest and...
all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders and all other obligations of the authority in connection with the bonds are fully met and discharged.


Sec. 8503.012. PAYMENT OF DEBTS. Any indebtedness, liability, or obligation of the authority for the payment of money, however entered into or incurred and whether arising from contract, implied contract, or otherwise, is payable solely:

(1) out of revenues received by the authority with respect to its properties, subject to any prior lien on the revenues conferred by any resolution or resolutions adopted as provided by this chapter authorizing the issuance of bonds; or

(2) if the board so determines, out of the proceeds of sale by the authority of bonds payable solely from those revenues.


Sec. 8503.013. ISSUANCE OF BONDS. (a) The authority may issue bonds from time to time and for any purpose authorized by this chapter or other general law. If bonds of the authority are issued, except as otherwise provided under general law, the bonds:

(1) when sold, shall be sold for cash at public sale to the highest and best bidder, as determined by the board, and the interest cost of the money received for the bonds shall be computed to maturity in accordance with the method prescribed by the board in connection with the sale of the bonds;

(2) may be issued, on terms determined by the board in exchange for property of any kind, real, personal, or mixed, or any interest in property that the board determines necessary or convenient for any corporate purposes, provided that any property acquired through the exchange of bonds is certified in writing before the exchange as being of a value equal to or in excess of the par value of the bonds by an independent appraisal that is to be kept on
file by the authority as a public record, with a copy filed with the state auditor;

(3) may be issued in exchange for like principal amounts of other obligations of the authority, matured or unmatured; or

(4) may be sold to this state or any agency of this state, the United States, or any agency or corporation created or designated by this state or the United States in exchange for cash equal in amount to the principal amount of the bonds sold and the interest cost of the money received for the bonds, computed to maturity in accordance with standard bond tables in general use by banks and insurance companies, as determined by the board.

(b) The proceeds from the sale of the bonds shall be deposited in one or more banks or trust companies and shall be paid out under terms and conditions not in conflict with the provisions of this chapter or other general law that are agreed on between the authority and the purchasers of the bonds.

(c) The proceeds of the bonds and any net operating revenues derived from the sale of electric power or water that may be available after paying the interest on outstanding bonds and the principal amount of the bonds and after setting aside sufficient funds for working capital, including a reasonable amount for contingencies, and setting aside funds for reserves to secure payment of principal of and interest on outstanding bonds, shall be used:

(1) to build and construct dams or other structures within the authority, on the Colorado River and its tributaries, for the impounding and storage of floodwater and surface water;

(2) to purchase and install in the dams on the Colorado River hydroelectric generators and other related facilities for the generation of hydroelectric power;

(3) for the construction of additional lines and the purchase and installation of additional equipment the board considers necessary or expedient to enable the authority to continue to meet the demand for electric power in the areas within the authority directly served by its transmission lines and distribution systems on January 1, 1975, and other areas within the service area served by the authority on January 1, 1975, that cannot receive comparable service from any other power source and to provide electric power to this state as provided by Section 8503.004; provided, however, that no steam generating capacity shall be installed by the authority, except that the authority may acquire, install, construct, enlarge
and make additions to, and operate one or more steam generating plants, the sum of whose aggregate capacity may not be more than 5,000 megawatts, to be located within the boundaries of either one or more of Colorado, Fayette, Bastrop, Travis, Blanco, Burnet, Llano, or San Saba counties and to be utilized for the purpose of serving the area directly served by the authority's transmission lines and distribution systems on January 1, 1975, and to provide electric power to this state as provided by Section 8503.004;

(4) to own or acquire an interest in one or more steam generating plants at any location within or outside the authority, if the plant or plants are owned in conjunction with one or more other utilities, public, private, or municipal, provided that an interest owned or acquired by the authority shall be utilized for the sole purpose of providing electric power and energy only in the areas within the authority directly served by its transmission lines and distribution systems as they existed on January 1, 1975;

(5) for the purpose of building dams, levees, or other flood control structures between the city of Austin and the mouth of the Colorado River that are considered necessary and desirable by the board and for acquiring or installing facilities necessary to supply water for irrigation and other useful purposes within the counties composing the authority; and

(6) in aid of any soil conservation or soil reclamation projects within the authority that the board determines to be in the public interest.

(d) Nothing in this section shall be construed as establishing priorities as to uses of water that are contrary to the general laws of this state with reference to the water uses.

(e) Except as otherwise provided by general law, proceeds of bonds sold by the authority, and any net operating revenues that the board determines are not needed to carry out the projects set out in Subsections (c)(1), (2), and (3), to the extent not required by an outstanding trust indenture to be used to redeem outstanding bonds, shall be placed in a general revenue fund of the authority. Dams built on the Colorado River or on its tributaries shall be used for the purpose of impounding and storing floodwaters and surface waters.

(f) Bonds shall be authorized by resolution of the board concurred in by at least 12 of the members.

(g) Bonds shall bear the date or dates, mature at the time or times, bear interest at the rates, payable annually or semiannually,
be in the denominations, be in the form, either coupon or registered, carry the registration privileges as to principal only or as to both principal and interest and as to exchange of coupon bonds for registered bonds or vice versa and exchange of bonds of one denomination for bonds of other denominations, be executed in the manner, and be payable at the place or places within or outside this state that the resolution may provide.

(h) A resolution authorizing bonds may contain provisions that are part of the contract between the authority and the holder of the bonds from time to time:

(1) reserving the right to redeem the bonds at the time or times, in the amounts, and at the prices, not exceeding 105 percent of the principal amount of the bonds, plus accrued interest, as may be provided;

(2) providing for the setting aside of interest and sinking funds or reserve funds and the regulation and disposition of those funds;

(3) pledging, to secure the payment of the principal of and interest on the bonds and of the sinking fund or reserve fund payments agreed to be made with respect to the bonds, all or any part of the gross or net revenues received by the authority with respect to the property, real, personal, or mixed, acquired or constructed or to be acquired or constructed with the bonds or the proceeds of the bonds, or all or any part of the gross or net revenues previously or thereafter received by the authority from any source;

(4) prescribing the purposes to which the bonds or any bonds issued later are to be applied;

(5) agreeing to set and collect rates and charges sufficient to produce revenues adequate to pay the items specified in Section 8503.011(a) and prescribing the use and disposition of all revenues;

(6) prescribing limitations on the issuance of additional bonds and on the agreements that may be made with the purchasers and successive holders of the bonds;

(7) relating to the construction, extension, improvement, reconstruction, operation, maintenance, and repair of the properties of the authority and the carrying of insurance on all or any part of the properties covering loss or damage or loss of use and occupancy resulting from specified risks;

(8) setting the procedure, if any, by which, if the
authority so desires, the terms of a contract with the bondholders may be amended or abrogated, the amount of bonds whose holders must consent to that amendment or abrogation, and the manner in which the consent may be given;

(9) providing for the execution and delivery by the authority, to a bank or trust company authorized by law to accept trusts, of indentures and agreements for the benefit of the bondholders setting forth all of the agreements authorized by this chapter to be made with or for the benefit of the bondholders and other provisions that are customary in those kinds of indentures or agreements; and

(10) making other provisions, not inconsistent with this chapter or other general law, that the board approves, provided that an agreement, contract, or commitment may not be made that, under any contingency, could or would result in the United States government or any of its agencies or bureaus claiming the right or privilege of controlling or managing the properties and facilities of the authority or the control or disposition of the water of the Colorado River or its tributaries; provided, however, that nothing in this chapter shall be construed as limiting or restricting the rights or powers as set out in Section 8503.014 in the event of a default on the part of the authority; and provided further that nothing in this chapter is intended to prohibit compliance with existing federal regulations, if compliance with those regulations is done on the advice and approval of the attorney general.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 222.013 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(b), eff. September 1, 2007. Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(i), eff. September 1, 2007.

Sec. 8503.014. DEFAULT PROCEDURES. (a) A resolution authorizing the issuance of bonds and any indenture or agreement entered into under the resolution may include provisions regarding a default on:

(1) the payment of the interest on the bonds as the interest becomes due and payable;
the payment of the principal of the bonds as they become due and payable, whether at maturity, by call for redemption, or otherwise; or

(3) the performance of an agreement made with the purchasers or successive holders of any bonds.

(b) If a default described by Subsection (a) has occurred and has continued for a period, if any, prescribed by the resolution authorizing the issuance of the bonds, the trustee under an indenture entered into with respect to the bonds authorized by the resolution, or, if there is no indenture, a trustee appointed in the manner provided in the resolution by the holders of 25 percent in aggregate principal amount of the bonds authorized by the resolution and then outstanding, shall, in the trustee's own name but for the equal and proportionate benefit of all of the bondholders, and with or without having possession of the bonds:

(1) by mandamus or other suit, action, or proceeding at law or in equity, enforce all rights of the bondholders, including the requirements of Section 8503.011;

(2) bring suit on the bonds or the appurtenant coupons;

(3) by action or suit in equity, require the authority to act as if it were the trustee of an express trust for the bondholders;

(4) by action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the bondholders; or

(5) after such notice to the authority as the resolution may provide, declare the principal of all of the bonds due and payable, and if all defaults have been made good, then with the written consent of the holders of 25 percent in aggregate principal amount of the bonds then outstanding, annul the declaration and its consequences; provided, however, that the holders of more than a majority in principal amount of the bonds authorized by the resolution and then outstanding shall, by written instrument delivered to the trustee, have the right to direct and control any and all action taken or to be taken by the trustee under this section.

(c) A resolution, indenture, or agreement relating to bonds may provide that in a suit, action, or proceeding under this section, the trustee, whether or not all of the bonds have been declared due and payable and with or without possession of any of the bonds, is
entitled as of right to the appointment of a receiver who may enter and take possession of all or any part of the properties of the authority, operate and maintain the properties, and set, collect, and receive rates and charges sufficient to provide revenues adequate to pay the items set forth in Section 8503.011(a) and the costs and disbursements of the suit, action, or proceeding and apply the revenues in conformity with this chapter and the resolution authorizing the bonds.

(d) In a suit, action, or proceeding by a trustee under this section, the reasonable fees, counsel fees, and expenses of the trustee or the receiver, if any, constitute taxable disbursements, and all costs and disbursements allowed by the court shall be a first charge on any revenues pledged to secure the payment of the bonds.

(e) Subject to the provisions of the constitution, the courts of Travis County have jurisdiction of a suit, action, or proceeding under this section by a trustee on behalf of the bondholders and of all property involved in the suit, action, or proceeding.

(f) In addition to the powers specifically provided by this section, the trustee has all powers necessary or appropriate for the exercise of the powers specifically provided or incident to the general representation of the bondholders in the enforcement of their rights.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 222.014 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(b), eff. September 1, 2007. Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(j), eff. September 1, 2007.

Sec. 8503.015. AUDITS. (a) The authority is subject to the audit provisions of Subchapter G, Chapter 49, Water Code.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 222.015 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(b), eff. September 1, 2007. Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(k), eff. September 1, 2007.
Acts 2015, 84th Leg., R.S., Ch. 1148 (S.B. 523), Sec. 8, eff.
Sec. 8503.016. AUTHORITY AS CONSERVATION AND RECLAMATION DISTRICT. (a) The authority shall manage and use its facilities, the water impounded by its dams on the Colorado River or its tributaries, and any available net operating revenues to accomplish, to the extent possible, the purposes included in Section 59(a), Article XVI, Texas Constitution, that are enumerated in the provisions of this chapter or other general law, and the authority shall market electric power that, in the opinion of the board, will not be immediately needed by the authority, under contracts and on conditions that will best enable the authority to pay its operating expenses, meet its outstanding financial obligations as they mature, supply the increasing demand for electric power in the area dependent on its systems for electric service on April 28, 1975, and assure, to the extent possible, an adequate supply of water for irrigation and other useful purposes, as it is needed in the various counties comprising the authority.

(b) When bonds are to be issued to finance in whole or in part water-impounding facilities, before approving the bonds the attorney general shall be furnished a resolution from the commission or its successor agency certifying that the authority possesses the necessary water right authorizing it to impound or otherwise appropriate the waters to be utilized by the project.


Sec. 8503.017. BONDS AS NEGOTIABLE INSTRUMENTS. Bonds issued by the authority under this chapter or other general law are negotiable instruments under the laws of this state.


Sec. 8503.018. ADDITIONAL POWERS RELATING TO CONTRACTS, RULES,
AND REGULATIONS. The authority may, but without intending by this provision to limit any powers of the authority as granted to it by this chapter or other general law, enter into and carry out contracts or establish or comply with rules and regulations concerning labor and materials and other related matters in connection with any project or projects as the authority considers desirable or as requested by the United States, this state, or any corporation or agency created, designated, or established by the United States or this state that may assist in the financing of the project or projects.


Sec. 8503.019. PURCHASE OF BONDS. The authority may, out of any funds available for the purpose, purchase bonds issued by it at a price not exceeding the redemption price applicable at the time of the purchase, or if the bonds are not redeemable, at a price not exceeding the principal amount of the bonds plus accrued interest. All bonds purchased in this manner shall be canceled.


Sec. 8503.020. DISPOSITION OF PROPERTY. (a) Nothing in this chapter shall be construed as authorizing the authority, and the authority is not authorized, to mortgage or otherwise encumber any of its property of any kind, real, personal, or mixed, or any interest in such property, or to acquire any property or interest subject to a mortgage or conditional sale, provided that this section may not be construed as preventing the pledging of the revenues of the authority as authorized by this chapter.

(b) Nothing in this chapter shall be construed as authorizing the sale of any property or interest by the authority or by any receiver of any of its properties or through any court proceeding or otherwise, unless, by the affirmative vote of three-fourths of its statutory membership, the board has determined that the property or
interest is not necessary or convenient or of beneficial use to the business of the authority and has approved the terms of the sale. Except by sale as expressly authorized in this section, authority property or interest may not come into the ownership or control, directly or indirectly, of any person, firm, or corporation other than a public authority created under the laws of this state or a nonprofit corporation created by the authority under Chapter 152, Water Code.

(c) The limitations on the sale of property of the authority in this section do not and are not intended to preclude the authority from selling any interest owned or held by the authority in any jointly owned electric power and generating facilities constructed, or to be constructed, under Section 8503.004(t), provided that the sale of an ownership interest in a joint project is provided for and in conformance with any contract with other owners regarding the electric power and energy generating facilities.

(d) All authority property is exempt from forced sale, and nothing in this chapter shall be construed to authorize the sale of any of the property of the authority under a judgment rendered in a suit, and a sale of that kind is prohibited.


Sec. 8503.021. PROPERTY AGREEMENTS WITH CITY OF AUSTIN. Nothing in this chapter prohibits the authority from owning property in conjunction with, acquiring property from, or selling property to the City of Austin, on terms and conditions to which the authority and the city agree. The authority may acquire property from the City of Austin subject to repurchase agreements, or other terms and conditions as are agreed on between the authority and the city, and may enter into any contractual relations with the city respecting property that the parties agree on.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 222.021 by Acts 2007, 80th Leg.,
Sec. 8503.022. PROPERTY USEFUL IN THE PRODUCTION OR UTILIZATION OF ELECTRIC ENERGY. This chapter does not prohibit or restrict the sale, lease, or other disposition, to an electric cooperative, municipality, nonprofit corporation created by the authority under Chapter 152, Water Code, or other governmental agency or body politic and corporate of this state, of any property acquired or constructed by the authority and incidental to or used or useful in the generation, production, transmission, distribution, or sale of electric energy. The authority may pledge the proceeds of a sale under this section to the same extent and in the same manner in which it is authorized to pledge its revenues.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 222.022 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(b), eff. September 1, 2007. Amended by:
Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(m), eff. September 1, 2007.

Sec. 8503.023. PUBLIC ACCESS. (a) The authority may not prevent the public use of its lands for recreational purposes and fishing except at such points where, in the opinion of the board, the use would interfere with the proper conduct of the business of the authority or would interfere with the lawful use of the property. A lease of authority lands, except one expressly permitted by Section 8503.022, is not lawful unless it provides for free public use of the lands for recreational purposes and fishing.

(b) All public rights-of-way traversing the areas flooded or to be flooded by the impounded waters shall remain open as a way of free public passage to and from the lakes created, and a charge may not be made to the public for the right to engage in fishing or boating on or swimming in those lakes.

(c) If any citizen of this state or of the United States advises the attorney general that this section has not been complied with, the attorney general may, after investigation of the complaint and notice to the authority, institute the proper legal proceedings,
if any are required, to require the authority or its successor to comply with this section.

(d) If any of the authority's land bordering the lakes to be created under this chapter is sold by the authority, the authority shall retain in each tract a strip 20 feet wide abutting the high-water line of the lake for the purpose of passage and use by the public for public sports and amusements; provided, however, that this subsection does not apply to any sales of land by the authority to any state or federal agency to be used for game or fish sanctuaries or preserves or for game or fish propagation purposes.


Amended by:
Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(n), eff. September 1, 2007.

Sec. 8503.024. BONDS EXEMPT FROM TAXATION. All bonds and interest on the bonds issued under the provisions of this chapter are exempt from taxation, except inheritance taxes, by this state or by any municipal corporation, county, or other political subdivision or taxing district of this state.


Sec. 8503.025. SOURCE OF AUTHORITY. (a) This chapter, without reference to other statutory provisions, constitutes full authority for the authorization and issuance of bonds under this chapter, and no other act or law regarding the authorization or issuance of obligations or the deposit of the proceeds of obligations, or in any way impeding or restricting the carrying out of the acts authorized by this chapter shall be construed as applying a limitation to any proceedings taken under or acts done under this chapter.

(b) Nothing in this chapter shall prevent the authority from issuing bonds under any applicable general law of this state, provided, however, that no bonds are issued that would be in conflict
with Section 8503.024.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 222.025 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(b), eff. September 1, 2007. Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(o), eff. September 1, 2007.

Sec. 8503.026. BONDS AS INVESTMENTS AND SECURITY FOR DEPOSITS. 
(a) All authority bonds are legal and authorized investments for individuals, partnerships, profit and nonprofit corporations, banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, trustees, and guardians and for the sinking funds of municipalities, counties, school districts, or other political corporations or subdivisions of this state.

(b) The bonds are eligible to secure the deposit of all public funds of this state and any public funds of municipalities, counties, school districts, or other political corporations or subdivisions of this state and are lawful and sufficient security for those deposits to the extent of their par value when accompanied by all unmatured coupons.


Sec. 8503.027. CONSTRUCTION. (a) This chapter and all of its terms and provisions shall be liberally construed to carry out the purposes set forth in this chapter.

(b) Nothing in this chapter affects the meaning of Section 8503.011, formerly Section 222.011, Water Code, and Section 9, Chapter 74, Acts of the 64th Legislature, Regular Session, 1975, as it existed prior to the adoption of the former Chapter 222, Water Code, except where specifically amended.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 222.027 by Acts 2007, 80th Leg.,
Sec. 8503.028. AUTHORITY POWERS IN LAMPASAS COUNTY. Notwithstanding any other provision of this chapter, the authority may exercise all powers within Lampasas County that it may otherwise exercise within the 10 counties specified in Section 8503.003, except that the authority may not provide water or wastewater services in the portion of Lampasas County outside the Colorado River watershed without the consent of the Brazos River Authority.


Sec. 8503.029. ADDITIONAL SPECIFIC POWERS. (a) Notwithstanding any other provision of this chapter, the authority:
(1) may purchase, construct, acquire, own, operate, repair, improve, or extend any facility necessary or convenient to provide water services in Williamson County in cooperation with another special district, a municipality, or another governmental entity;
(2) may not provide water services in the watershed of the Brazos River unless the authority obtains in writing the consent of the Brazos River Authority before the services are provided; and
(3) may transfer surface water from the authority to a place in Williamson County that is outside the watershed of the Colorado River only if the transfer is made to:
(A) a municipality that was a water customer of the authority on May 20, 1997, and located in the watersheds of both the Colorado River and the Brazos River; or
(B) a person or entity that pays for the surface water in an amount sufficient to pay both the authority's applicable water rate and an additional charge to pay the costs of mitigating any
adverse effects of the transfer of surface water to Williamson County from the Colorado River watershed, and provided the transfer results in no net loss of water to the Colorado River watershed as determined by the board.

(b) Notwithstanding the amounts of surface water transferred by the authority to municipalities in accordance with Subsection (a)(3)(A), the volume of surface water authorized for transfer by the authority in accordance with Subsection (a)(3)(B) may not exceed 25,000 acre-feet per year, it being the intent of the legislature that the authority not be the sole provider of surface water to Williamson County.

(c) The authority shall determine the amount of the additional charge under Subsection (a)(3)(B). The additional charge may not be less than 10 percent of the authority's applicable rate for surface water to be transferred. The authority shall deposit any money the authority receives from the additional charge, and may deposit any other money as the board determines, into a separate fund designated as the agricultural water conservation fund. The authority may use money from the agricultural water conservation fund only for the development of water resources or other water use strategies to replace or offset the amount of surface water to be transferred to Williamson County, including the development and implementation of methods, programs, and strategies relating to groundwater resources, reuse, conservation, and other opportunities to reduce the reliance on surface water for agricultural irrigation, provided that the methods, programs, and strategies take into consideration the surface water and groundwater needs of the affected Colorado River basin users.

(d) Before its determination of the use of money from the agricultural water conservation fund, the authority shall consult with an advisory committee representing agricultural irrigation interests that is appointed by the county judges of Matagorda, Wharton, and Colorado counties. The board's determination of the additional charge is not subject to review or modification by any regulatory agency or independent reviewing authority. Water resources developed or conserved through the additional charge may be acquired from any source inside or outside the boundaries of the authority and shall be used to benefit the water service areas of the authority's irrigation operations.
Sec. 8503.030.  PROVISION OF WATER TO MUNICIPALITY OUTSIDE COLORADO RIVER BASIN.  (a) This section applies notwithstanding any other provision of this chapter or other law.  
  (b) In this section and Section 8503.031:
  (1) "Municipality" includes a municipally owned utility.
  (2) "Water service area" means the area in which the authority is authorized to use, distribute, and sell water on January 1, 2001.
  (c) Subject to the limitations and restrictions in this section, the authority may enter into a written contract with a municipality located outside the water service area to distribute and sell water to the municipality.
  (d) In addition to the authority's applicable water rate, the authority shall charge a municipality a surcharge determined by the board according to the terms of the contract to enable the authority to develop and manage water resources sufficient to address the projected needs of the authority's water service area and the needs of the municipality to the extent agreed in the contract. The contract must provide that the surcharge be sufficient to allow the authority to recover all capital construction costs incurred by the authority under this section. The board's determination of the surcharge is not subject to review or modification by any regulatory agency or administrative authority.
  (e) The use or reservation of water under a contract authorized by this section may extend for a base period of not more than 50 years. A contract may provide an option to renew for not more than an additional 30 years. An option to renew must require that the municipality progressively reduce the amount of water reserved or used by the municipality during the last 10 years of the renewal term and require that the rate paid by the municipality immediately increase by a factor of five if the municipality does not make the required reduction. A contract must provide that the municipality is not entitled to further reservation, use, or delivery of water from the authority at the conclusion of the contract.
  (f) A contract authorized by this section must require that the
then current rate paid by the municipality immediately increase by a factor of five if:

(1) the municipality initiates legal proceedings in a court or regulatory agency to obtain:
   (A) an increase in the amount of surface water taken by the municipality under this section; or
   (B) an extension of either the base or renewal periods under Subsection (e); or

(2) the authority is compelled by any authority to reserve, sell, or make available to the municipality more than 150,000 acre-feet of water per year or to reserve, sell, or make available to the municipality water beyond the base and renewal periods under Subsection (e).

(g) The contract must provide that within the water service area the authority must own any personal property, fixtures, or appurtenances that are used for making available, diverting, or delivering water to a municipality under a contract authorized by this section.

(h) Water to be provided under a contract authorized by this section may not be diverted from the Colorado River at diversion points located on the reservoirs that, on May 16, 2001, are owned and operated by the authority upstream of Mansfield Dam. Water to be provided under a contract authorized by this section may be diverted only from off-channel reservoirs built downstream of Mansfield Dam after May 16, 2001.

(i) The authority may not provide water to a municipality under a contract authorized by this section unless the authority demonstrates, through its water management plan, to the commission that the authority will operate its water supply system in conjunction with the water resources management efforts contemplated by the contract to:

   (1) increase the average lake levels of Lake Buchanan and Lake Travis by at least 6 feet and 18 feet, respectively, above the average lake levels of those lakes during times when those lakes would have been operating at less than 90 percent of conservation capacity without those efforts; and

   (2) increase the average lake levels of Lake Buchanan and Lake Travis during a repeat of the drought of record at least 10 feet and 20 feet, respectively, above the average lake levels of those lakes during a repeat of the drought of record without those efforts.
(j) As a requirement of the authority's water management plan, the authority shall submit annually to the commission data and a report demonstrating that the authority has operated its water supply system in accordance with the provisions of this section. The data shall include a tabulation that compares actual recorded lake levels with lake levels that would have occurred without the water resources management efforts contemplated by a contract authorized by this section. The commission shall review the data and report submitted by the authority and shall certify, in writing made available to the public, whether the authority has complied with the provisions of this section.

(k) The authority may sell no more than a total of 150,000 acre-feet of water in any year under contracts authorized by this section.

(l) This section does not authorize:

1. the authority to pump water to the municipality directly from the Colorado River;
2. the authority to sell its surface water rights to any person or entity for use outside the water service area; or
3. a sale or lease of water other than as specifically authorized by this section.

(m) The authority may not sell groundwater to a municipality under this section.

(n) The authority may not contract to distribute or sell water under this section unless the board finds, after providing an opportunity for public input, that the contract:

1. will protect and benefit the lower Colorado River watershed and the authority's water service area, including municipal, industrial, agricultural, recreational, and environmental interests;
2. is consistent with regional water plans filed with the Texas Water Development Board on or before January 5, 2001;
3. will ensure that the beneficial inflows remaining after any water diversions will be adequate to maintain the ecological health and productivity of the Matagorda Bay system;
4. will provide for instream flows no less protective than those included in the authority's Water Management Plan for the Lower Colorado River Basin, as approved by the commission;
5. will ensure that, before any water is delivered under the contract, the municipality has prepared a drought contingency plan.
plan and has developed and implemented a water conservation plan that will result in the highest practicable levels of water conservation and efficiency achievable within the jurisdiction of the municipality;

(6) provides for a broad public and scientific review process designed to ensure that all information that can be practically developed is considered in establishing beneficial inflow and instream flow provisions; and

(7) will benefit stored water levels in the authority's existing reservoirs.

(o) A municipality that buys water from the authority under a contract authorized by this section may not resell that water outside the boundaries of the regional water planning area in which the municipality is located, as those boundaries are designated by the Texas Water Development Board as of January 5, 2001.

(p) Nothing in this section shall exempt the authority or any municipality from the permitting requirements of state and federal law.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 222.030 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(b), eff. September 1, 2007. Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(r), eff. September 1, 2007.

Sec. 8503.031. AUTHORITY OF MUNICIPALITY TO CONTRACT FOR WATER. Section 8503.030 constitutes full authority for a municipality or municipally owned utility to enter into a contract with the authority under that section. The payments made under a contract authorized by that section are operation and maintenance expenses of the municipality's utility system. A municipality or municipally owned utility that enters into a contract under that section may use proceeds from the sale of its revenue bonds to make any such payments.

Added by Acts 2003, 78th Leg., ch. 996, Sec. 1, eff. Sept. 1, 2003. Renumbered from Water Code, Section 222.031 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(b), eff. September 1, 2007. Amended by:
Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 13.006(s), eff. September 1, 2007.

CHAPTER 8504.  LOWER NECHES VALLEY AUTHORITY
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8504.001.  DEFINITIONS.  In this chapter:
(1)  "Authority" means the Lower Neches Valley Authority.
(2)  "Basins" means the Neches River basin and the adjoining Neches-Trinity coastal basin.
(3)  "Board" means the board of directors of the authority.
(4)  "Commission" means the Texas Commission on Environmental Quality.
(5)  "Director" means a member of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.002.  CREATION AND NATURE OF AUTHORITY.  The authority is created as a conservation and reclamation district. The authority is an independent governmental agency and a body politic and corporate.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 619, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8504.0021.  APPLICATION OF SUNSET ACT.  (a)  The authority is subject to review under Chapter 325, Government Code (Texas Sunset Act), but may not be abolished under that chapter. The review shall be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2021, and every 12th year after that year.

(b)  The authority shall pay the cost incurred by the Sunset Advisory Commission in performing the review. The Sunset Advisory Commission shall determine the cost, and the authority shall pay the
amount promptly on receipt of a statement from the Sunset Advisory Commission detailing the cost.

Added by Acts 2015, 84th Leg., R.S., Ch. 1148 (S.B. 523), Sec. 9, eff. June 19, 2015.

Sec. 8504.003. TERRITORY. Unless modified under Subchapter J, Chapter 49, Water Code, or other law, the authority's territory is composed of:

(1) all of Jefferson, Hardin, and Tyler Counties;
(2) a strip of land 10 miles in width off the eastern end of Liberty County (the west line of that strip being parallel to and 10 miles west of the extreme eastern boundary line of Liberty County); and
(3) a strip of land 15 miles in width off the east side of Chambers County (the west line of that strip being parallel to and 15 miles west of the eastern boundary line of Chambers County).

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

**SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS**

Sec. 8504.051. MEMBERSHIP OF BOARD. (a) The board consists of nine directors appointed by the governor with the advice and consent of the senate.

(b) Each director must be a freehold property taxpayer and a qualified voter of this state.

(c) Five directors must reside in Jefferson County, two directors must reside in Hardin County, and two directors must reside in Tyler County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04,
Sec. 8504.052. TERMS. Directors hold office for staggered terms of six years.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.053. VACANCY. A vacancy on the board shall be filled for the unexpired term in the same manner as provided for an appointment for a full term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.054. OATH AND BOND REQUIREMENT FOR DIRECTORS. (a) A director shall, within 15 days after the date of appointment, qualify by taking the constitutional oath of office and by filing a good and sufficient bond with the secretary of state.

(b) The bond is subject to approval by the secretary of state and must:

(1) be in the amount of $5,000;
(2) be payable to the authority; and
(3) be conditioned on the faithful performance of the duties as a director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.055. COMPENSATION OF DIRECTORS. (a) A director is entitled to receive a fee of office for each day of service approved by a vote of the board and necessary to discharge the director's duties.

(b) The board shall set the fee described by Subsection (a) in an amount not greater than the amount allowed under general law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04,
Sec. 8504.056. QUORUM; VOTING REQUIREMENT. (a) Five directors constitute a quorum at any meeting.
(b) A concurrence of a majority of the directors present is sufficient in any matter pertaining to authority business.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.057. GENERAL MANAGER. The board shall employ a general manager at the compensation set by a majority of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8504.101. POWERS UNDER CONSTITUTION AND OTHER LAW. The authority has and is vested with the powers of a conservation and reclamation district under the constitution and other laws of this state, including the powers:
(1) expressly authorized by Section 59, Article XVI, Texas Constitution, for a district created to conserve, store, control, preserve, use, and distribute storm water, floodwater, and the water of the rivers and streams of the state;
(2) implied by the purposes of that section of the constitution; and
(3) conferred by general law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.102. POWERS TO ACCOMPLISH PURPOSES FOR WHICH CREATED. The authority has and may exercise the functions, powers, rights, and duties as may permit the authority to accomplish the purposes for which it is created.
Sec. 8504.103. GENERAL POWERS RELATING TO WORKS AND WATER.  (a) The authority may construct, maintain, and operate in the basins, inside or outside the authority, any work considered essential:

   (1) to the operation of the authority; and
   (2) for the authority's administration in the control, storage, preservation, and distribution to all useful purposes of the water, including storm water and floodwater, of the basins.

(b) The authority has the same power of control and regulation over the water of the basins that the state has, subject to the constitution and statutes of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.104. ADDITIONAL POWERS RELATING TO PARTICULAR PURPOSES; NOT A LIMITATION.  (a) For the conservation and beneficial use of the water of the basins, including storm water and floodwater, the authority may control and use the water in the manner and for the particular purposes described below:

   (1) for the prevention of the devastation of land from recurrent overflows;
   (2) for the protection of life and property in the authority from uncontrolled floodwater;
   (3) to encourage the conservation of soil;
   (4) to prevent destructive erosion;
   (5) to provide through practical and legal means for the control and coordination of the regulation of that water;
   (6) to provide by adequate organization and administration for the preservation of the equitable rights of the people of different sections of the watershed area in the beneficial use of that water;
   (7) for the storage, control, and conservation of that water inside or outside the authority and the prevention of the escape of that water without the maximum of public service;
   (8) for the equitable distribution of that water to the
regional potential requirements for all uses;
(9) for any purpose for which floodwater and storm water when controlled and conserved may be used in the performance of a useful service as authorized by the constitution of this state;
(10) for the conservation of the water essential for the domestic and municipal uses of the people of the authority;
(11) to control the water and make it available for use in the development of commercial and industrial enterprises in the basins or the authority;
(12) to control, store, and use the water in the development and distribution of hydroelectric power, if that use is economically coordinated with and subordinate to other uses declared by law to be superior;
(13) for the irrigation of all land in the authority or outside the authority but inside the basins; and
(14) to provide for the drainage of land in the basins.

(b) The plans and works provided by the authority in acting under this section, and the works provided under the power of the authority in acting under this section, shall have primary regard for the necessary and potential needs for water by or in the area in the authority constituting the basins.

(c) This section does not limit the powers of the authority expressed elsewhere in this chapter or under other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.105. POWERS RELATING TO PURCHASE OR CONSTRUCTION OF WORKS OR ACQUISITION OF PROPERTY. The authority may:
(1) purchase or construct any work necessary or convenient for the exercise of the authority's powers under this chapter and to accomplish the purposes of this chapter; and
(2) purchase or otherwise acquire land or other property necessary or convenient for carrying out the purposes of this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.
Sec. 8504.106. ADDITIONAL POWERS RELATING TO ACQUISITION OR OPERATION OF PROPERTY. (a) In this section, "property" includes:

(1) rights, including water rights; and
(2) land, tenements, easements, rights-of-way, improvements, reservoirs, dams, canals, laterals, plants, works, and facilities.

(b) The authority may investigate, plan, acquire, construct, maintain, or operate any property the authority considers necessary or proper to accomplish the purposes for which the authority is created.

(c) The power described by Subsection (b) includes the power to acquire, inside or outside the authority, property and all other rights that are incidental or helpful to carrying out the purposes for which the authority is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.107. POWERS RELATING TO CONTRACT, LEASE, AGREEMENT, OR CONVEYANCE. (a) In this section, "property" includes land, rights, tenements, easements, improvements, reservoirs, dams, canals, laterals, plants, works, and facilities.

(b) The authority may with any person enter into a contract, lease, or agreement necessary or convenient to carry out a power granted to the authority under this chapter.

(c) The authority may:

(1) convey or cause to be conveyed any of its property to the United States; and
(2) enter into a lease, regardless of whether it includes a privilege of purchase, with the United States relating to the property and obligate the authority to pay rent under the lease from the income or other revenue of the property.

(d) A contract, lease, or agreement under this section must be approved by board resolution and must be executed by the board president and attested by the board secretary.

(e) This section does not authorize the authority to assume an obligation requiring a payment from taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.
Sec. 8504.108. POWERS RELATING TO RECREATIONAL FACILITIES. The authority may acquire land for recreational facilities and may construct, operate, and maintain recreational facilities as provided by general law, provided that money derived from taxation may not be spent in purchasing that land or constructing and maintaining those facilities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.109. EMINENT DOMAIN. (a) The authority may exercise the power of eminent domain inside or outside the authority to acquire the fee simple title to, or an easement or right-of-way over or through, any private or public land, water, or land under water that is necessary or convenient for carrying out any purpose or power conferred on the authority by this chapter.

(b) A condemnation proceeding is under the direction of the board and must be in the name of the authority.

(c) The assessment of damages and all procedures with reference to condemnation, appeal, and payment must conform to Chapter 21, Property Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.110. STATE SUPERVISION AND APPROVAL. The powers and duties conferred on the authority by this chapter, and the adequacy of any plan for flood control or conservation improvement purposes devised by the authority, are subject to such continuing rights of state supervision and state approvals as are required under general law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

SUBCHAPTER D. POWERS RELATING TO DEVERS CANAL SYSTEM AND ITS WATER RIGHTS AND ASSOCIATED PROPERTY
Sec. 8504.151. DEFINITIONS. In this subchapter:
(1) "Canal system" means the canal system and associated properties generally known as the Devers Canal System.
(2) "Navigation district" means the Chambers-Liberty Counties Navigation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.152. POWERS RELATING TO CANAL SYSTEM. The authority may:
(1) acquire, own, operate, maintain, and improve the canal system; and
(2) enlarge and extend the canal system east of the Trinity River in Chambers, Liberty, and Jefferson Counties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.153. POWERS RELATING TO WATER. (a) The authority may own the water rights and appropriate and divert water of this state under the permits and contracts previously owned by and acquired from the Devers Canal Rice Producers Association, Inc.
(b) Except as provided by Section 8504.154, the authority may distribute, sell, and use water of this state for any purpose approved by the commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.154. RIGHT OF FIRST REFUSAL FOR CERTAIN WATER CONTRACTS. (a) This section applies only to a contract to sell or provide water:
(1) that is for any use other than irrigation in Chambers County outside the authority's boundaries; and
(2) that the navigation district had authority to sell or provide under the navigation district's water rights on May 1, 2009.
(b) Before entering into a contract, the authority must:
(1) send to the navigation district a written notice of intent to sell or provide water for nonirrigation use in Chambers County outside the authority's boundaries; and

(2) allow the navigation district 30 days to exercise a right of first refusal to provide the water.

(c) Not later than the 30th day after the date the navigation district receives the notice of intent under Subsection (b), the navigation district may exercise its right of first refusal under Subsection (b) by delivering to the authority notice that it intends to exercise that right.

(d) The authority may enter into a contract only if the navigation district:

(1) fails to comply with Subsection (c); or

(2) complies with Subsection (c) and does not enter into a contract to sell or otherwise provide water for the use described by the authority's notice of intent under Subsection (b) before the expiration of four months after the date the navigation district receives the notice of intent.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

SUBCHAPTER E. ECONOMIC DEVELOPMENT PROGRAMS

Sec. 8504.201. DEFINITION. In this subchapter, "economic development program" includes a community assistance program, a privatization program, or any other program designed to:

(1) encourage economic diversification;
(2) maintain or expand employment;
(3) train persons;
(4) eliminate conditions detrimental to the public health, safety, or welfare;
(5) improve the quality or quantity of services essential for the development of viable communities and economic growth, including services related to:

(A) education;
(B) transportation;
(C) public safety;
(D) recreation;
(E) health care;
(F) water and wastewater treatment; or
(G) rural water and sewer development; or

(6) contribute to the health and development of a community to improve the attractiveness of the community to public and private enterprises.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.202. LEGISLATIVE FINDINGS. The legislature finds that the economic development programs authorized by this subchapter are a specific public purpose and governmental function of the authority in accordance with:

(1) Section 52-a, Article III, Texas Constitution; and
(2) to the extent that the programs provide assistance to public firefighting organizations, Section 51-a-1, Article III, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.203. AUTHORITY FOR ECONOMIC DEVELOPMENT PROGRAM; PROGRAM AREA. The authority may, in the areas served by the authority, sponsor and participate in an economic development program intended to strengthen the economic base and further the economic development of this state. The program may not be outside the areas served by the authority unless the authority has entered into an interlocal agreement with an entity under Section 8504.205.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.204. ESTABLISHMENT OF PROGRAM. Each economic development program must be established by formal action of the board. The board shall:

(1) establish the goals of the program;
(2) impose requirements on persons participating in and receiving the benefits of the program; and
(3) provide restrictions, procedures, and budget limits that the board determines are necessary to ensure that the governmental purposes of this subchapter and the program are achieved.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.205. PARTICIPATION IN PROGRAM BY OTHER PERSONS. A program under this subchapter may involve grants or loans of money, services, or equipment to a person engaged in an economic development activity, including a public firefighting organization, governmental body, nonprofit corporation, local or regional development council, or other nonprofit or noncommercial organization. The authority may provide assistance to a for-profit entity if the assistance is necessary or appropriate to carry out an economic development program consistent with the purposes of this subchapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.206. STAFFING AND FUNDING OF PROGRAM. (a) The authority may employ staff and spend authority resources to further an economic development program under this subchapter, except that the authority may not use money received from an ad valorem tax or a general appropriation to further a program.

(b) The authority may apply for and receive from any source money, grants, or other assistance to carry out an economic development program under this subchapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.207. AGREEMENT. The authority and any other public or private person may enter into an agreement with respect to an economic development program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04,
eff. April 1, 2015.

Sec. 8504.208. GUIDELINES FOR ASSISTANCE TO PUBLIC FIREFIGHTING ORGANIZATIONS. If the authority provides scholarships, grants, loans, or financial assistance to a public firefighting organization, the authority shall adopt guidelines to determine:

(1) eligibility for the assistance;
(2) the amount of grants, loans, or other assistance the authority may make available to a firefighting organization; and
(3) the type of equipment, education, or training for which the assistance may be used.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.209. BOARD DETERMINATION CONCLUSIVE. A determination by the board that a program is intended and expected to carry out the program's stated purposes is conclusive with respect to whether the purposes of this subchapter are satisfied.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

Sec. 8504.251. FEES AND CHARGES. (a) The board shall prescribe fees and charges to be collected for the use of water, a water connection, or another service.

(b) The fees and charges must be reasonable and equitable and sufficient to produce revenue adequate to pay the items described by Subsection (c). The fees and charges may not exceed what may be reasonably necessary to fulfill the obligations imposed on the authority by this chapter.

(c) The board shall pay the following items from the fees and charges:

(1) all expenses necessary to the operation and maintenance of the improvements and facilities of the authority, including:

(A) the cost of acquiring materials and other property necessary to maintain the improvements and facilities in good
condition and to operate them efficiently;

(B) necessary wages and salaries of the authority; and

(C) other expenses reasonably necessary to the efficient operation of the improvements and facilities;

(2) the interest on any obligation issued under this chapter and payable from the revenue from the improvements and facilities; and

(3) the amount required to be paid for the payment of an obligation issued under this chapter and payable from the revenue from the improvements and facilities.

(d) If the revenue received exceeds the amount required for the purposes listed in Subsection (c), the board may pay from the excess revenue the cost of improvements and replacements not covered by Subsection (c)(1) and may establish a reasonable depreciation and emergency fund.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.252. TAX OR SPECIAL ASSESSMENT NOT AUTHORIZED BY CHAPTER. This chapter does not authorize the authority to levy a tax or special assessment or to create any debt payable from taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

SUBCHAPTER G. OBLIGATIONS RELATING TO BORROWED MONEY

Sec. 8504.301. GENERAL POWER TO BORROW MONEY. (a) The authority may:

(1) borrow money for any corporate purpose from any source; and

(2) issue a note, warrant, bond, certificate of indebtedness, or other form of obligation of the authority as evidence of the borrowed money.

(b) An obligation of the authority under Subsection (a) is payable only from revenue derived from authority improvements and facilities and the operation and services of the improvements and facilities.
Sec. 8504.302. COVENANTS FOR MARKETABILITY. (a) As considered necessary to ensure the marketability of obligations issued under this chapter, a resolution or order authorizing issuance may contain covenants with the holders of the obligations as to:

(1) the management and operation of the authority's improvements and facilities;

(2) the collection of fees and charges for the use of the improvements and facilities;

(3) the disposition of the fees and charges;

(4) the issuance of future obligations and the creation of future liens, mortgages, and encumbrances against the improvements and facilities and the revenue of the improvements and facilities; and

(5) other pertinent matters.

(b) A covenant under this section may not be inconsistent with this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.303. HOLDER OF OBLIGATION MAY COMPEL PERFORMANCE. (a) A holder of obligations issued under this chapter or of coupons originally attached to the obligations may enforce and compel the board's performance of all duties required by this chapter, including:

(1) setting and collecting reasonable and sufficient fees or charges for the use of the authority's improvements and facilities;

(2) segregating the income and revenue of the improvements and facilities; and

(3) applying the income and revenue under this chapter.

(b) The holder of the obligations or coupons may act under Subsection (a):

(1) at law or in equity; and

(2) by an action, mandamus, or other proceeding.
Sec. 8504.304. HOLDER OF OBLIGATION ENTITLED TO ADMINISTRATOR OR RECEIVER. (a) If there is a default in the payment of the principal of or interest on an obligation issued under this chapter, any holder of the obligation is entitled to have a court appoint an administrator or receiver to administer and operate, on behalf of the authority and the holders of the obligation, the improvements and facilities the revenue of which is pledged to the payment of the obligation.

(b) The administrator or receiver may:
(1) set and collect fees and charges sufficient to:
   (A) provide for the payment of operation and maintenance expenses as described by this chapter; and
   (B) pay any outstanding obligations or interest coupons payable from the revenue of the improvements and facilities; and
(2) apply the income and revenue of the improvements and facilities in accordance with this chapter and the proceedings authorizing the issuance of the obligation.

Sec. 8504.305. ADDITIONAL SECURITY FOR OBLIGATION: MORTGAGE AND ENCUMBRANCE. (a) As additional security for the payment of an obligation issued under this chapter, the board may have executed in favor of the holder of the obligation an indenture mortgaging and encumbering:
(1) the improvements, facilities, and other property acquired with the proceeds of the sale of the obligation; or
(2) all the authority's improvements, facilities, and other property.

(b) The indenture may also mortgage and encumber the revenue to be derived from the operation of the improvements, facilities, and other property.

(c) In the encumbrance, the board may provide for granting to any purchaser at a foreclosure sale under the encumbrance a franchise
to operate the improvements, facilities, and other property for a term not to exceed 50 years after the date of the purchase, subject to the laws regulating the matter.

(d) The indenture:

(1) may contain the provisions the board considers proper; and

(2) is enforceable in the manner provided by the laws of this state for the enforcement of other mortgages and encumbrances.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.306. SALE UNDER MORTGAGE OR ENCUMBRANCE. (a) Under a sale ordered under a mortgage or encumbrance described by Section 8504.305, a purchaser of the improvements, facilities, and other property at the sale, and the purchaser's successors or assigns, are vested with a permit and franchise to maintain and operate the improvements, facilities, and other property, with powers and privileges like those held by the authority in the operation of the improvements, facilities, and other property.

(b) Instead of operating the improvements, facilities, and other property as provided by Subsection (a), the purchaser and the purchaser's successors or assigns may remove all or part of the improvements, facilities, and other property for diversion to other purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.307. INSURING IMPROVEMENTS AND FACILITIES. (a) The board and the purchaser of an obligation issued under this chapter may enter into an agreement under which the board agrees to:

(1) keep all the improvements and facilities, the revenue of which is pledged to the payment of the obligation, insured with one or more insurers of good standing against loss or damage by fire, water or flood, or another hazard that private companies operating similar properties customarily cover by insurance; and

(2) carry with one or more insurers of good standing the insurance covering the use and occupancy of the property that is
customarily carried by private companies operating similar properties.

(b) The board shall budget the cost of the insurance as a maintenance and operation expense.

(c) The insurance shall be carried for the benefit of the holder of the obligation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

Sec. 8504.308. TAX EXEMPTION. An obligation issued under this chapter is exempt from taxation by this state or by any political subdivision of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.04, eff. April 1, 2015.

CHAPTER 8506. UPPER COLORADO RIVER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8506.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Upper Colorado River Authority.

(2) "Board" means the board of directors of the authority.

(3) "Director" means a member of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.002. CREATION AND NATURE OF AUTHORITY. (a) The authority is created as a conservation and reclamation district and a state agency.

(b) The creation of the authority is essential to the accomplishment of the purposes of Section 59(a), Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.
Sec. 8506.0021. APPLICATION OF SUNSET ACT. (a) The authority is subject to review under Chapter 325, Government Code (Texas Sunset Act), but may not be abolished under that chapter. The review shall be conducted under Section 325.025, Government Code, as if the authority were a state agency scheduled to be abolished September 1, 2029, and every 12th year after that year.

(b) The authority shall pay the cost incurred by the Sunset Advisory Commission in performing the review. The Sunset Advisory Commission shall determine the cost, and the authority shall pay the amount promptly on receipt of a statement from the Sunset Advisory Commission detailing the cost.

Added by Acts 2017, 85th Leg., R.S., Ch. 269 (H.B. 1921), Sec. 2, eff. September 1, 2017.

Sec. 8506.003. TERRITORY. Unless modified under Subchapter J, Chapter 49, Water Code, or other law, the authority's territory consists of that part of this state included in the boundaries of Coke, Concho, Crockett, Glasscock, Irion, Menard, Mitchell, Nolan, Reagan, Runnels, Schleicher, Sterling, Taylor, and Tom Green Counties.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 269 (H.B. 1921), Sec. 1, eff. September 1, 2017.

Sec. 8506.004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

**SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS**

Sec. 8506.051. MEMBERSHIP OF BOARD. (a) The board consists of nine directors appointed by the governor with the advice and consent of the senate.
(b) Each director must be a resident of and a freehold property taxpayer in this state.

(c) Each director must be a resident of a county located in the authority's territory. The governor shall attempt to achieve geographic representation throughout the authority in the appointment of directors.

(d) The governor shall designate a member of the board as the presiding officer of the board to serve in that capacity at the pleasure of the governor.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 269 (H.B. 1921), Sec. 3, eff. September 1, 2017.

Sec. 8506.052. TERMS. Directors are appointed for staggered terms of six years with three directors' terms expiring on February 1 of each odd-numbered year.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.053. REMOVAL. A director may be removed by the governor for inefficiency, neglect of duty, or misconduct in office, after at least 10 days' written notice of the charge against the director and an opportunity to be heard in person or by counsel at a public hearing.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.054. VACANCY. A vacancy on the board shall be filled by the governor for the unexpired term.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.
Sec. 8506.055. VOTING REQUIREMENT. (a) Except as provided by this chapter or the bylaws, action may be taken by the affirmative vote of a majority of the directors present at a meeting.

(b) The following are valid only if authorized or ratified by the affirmative vote of at least five directors:

(1) a contract that involves an amount greater than $10,000 or has a duration of more than one year;

(2) a bond, note, or other evidence of indebtedness; or

(3) an amendment of the bylaws.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.056. OFFICERS AND EMPLOYEES. (a) The board shall select a secretary and a treasurer. The treasurer may also hold the office of secretary.

(b) The secretary shall keep accurate and complete records of all proceedings of the board.

(c) Until the board selects a secretary, or if the secretary is absent or unable to act, the board shall select a secretary pro tem.

(d) The presiding officer is the chief executive officer of the authority.

(e) The secretary, secretary pro tem, presiding officer, and treasurer have the powers and duties, hold office for the term, and are subject to removal in the manner provided by the bylaws.

(f) The board shall set the compensation of the secretary, secretary pro tem, presiding officer, and treasurer.

(g) The board may appoint other officers, agents, and employees, set their compensation and term of office, prescribe their duties and the method by which they may be removed, and delegate to them any of its powers and duties as it considers proper.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 269 (H.B. 1921), Sec. 4, eff. September 1, 2017.

Sec. 8506.057. SURETY BONDS. (a) The presiding officer, the
treasurer, and any other officer, agent, or employee of the authority who is charged with the collection, custody, or payment of authority money shall give bond conditioned on:

(1) the faithful performance of the person's duties; and
(2) an accounting for all money and property of the authority coming into the person's possession.

(b) The bond must be in a form and amount and with a surety approved by the board, and the surety on the bond must be a surety company authorized to do business in this state.

(c) The authority shall pay the premium on the bond and charge the premium as an operating expense.

(d) The bond must be payable to the board for the use and benefit of the authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.058. AUTHORITY'S OFFICE AND DOMICILE. (a) The board by majority vote shall determine the location of the authority's general office.

(b) The county in which the authority's general office is located is the authority's domicile.

(c) The presiding officer is in charge of the authority's general office.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.059. CONFLICT OF INTEREST; CRIMINAL PENALTY. (a) A director, officer, agent, or employee of the authority may not be directly or indirectly interested in a contract for the purchase of any property or construction of any work by or for the authority.

(b) A person commits an offense if the person violates this section. An offense under this subsection is a felony punishable by:

(1) a fine not to exceed $10,000;
(2) confinement in the institutional division of the Texas Department of Criminal Justice for not less than one year or more than 10 years; or
(3) both the fine and confinement.
Sec. 8506.060. DIRECTOR TRAINING PROGRAM. (a) A person who is appointed to and qualifies for office as a director may not vote, deliberate, or be counted as a director in attendance at a meeting of the board until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the law governing authority operations;
(2) the programs, functions, rules, and budget of the authority;
(3) the scope of and limitations on the rulemaking authority of the authority;
(4) the results of the most recent formal audit of the authority;
(5) the requirements of:
   (A) laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest; and
   (B) other laws applicable to directors of a river authority in performing their duties; and
(6) any applicable ethics policies adopted by the authority or the Texas Ethics Commission.

(c) A person appointed to the board is entitled to reimbursement by the authority for travel expenses incurred in attending the training program regardless of whether attendance at the program occurs before or after the person qualifies for office.

(d) The board shall create a training manual that includes the information required by Subsection (b). The board shall distribute a copy of the training manual annually to each director. On receipt of the training manual, each director shall sign and submit to the board a statement acknowledging receipt of the training manual.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.061. SEPARATION OF POLICYMAKING AND MANAGEMENT
FUNCTIONS. The board shall develop and implement policies that clearly separate the policymaking responsibilities of the board and the management responsibilities of the general manager and staff of the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 269 (H.B. 1921), Sec. 5, eff. September 1, 2017.

Sec. 8506.062. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION. (a) The board shall develop a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter 2008, Government Code, for the adoption of authority rules; and

(2) appropriate alternative dispute resolution procedures under Chapter 2009, Government Code, to assist in the resolution of internal and external disputes under the authority's jurisdiction.

(b) The authority's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The authority shall:

(1) coordinate the implementation of the policy adopted under Subsection (a);

(2) provide training as needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures.

Added by Acts 2017, 85th Leg., R.S., Ch. 269 (H.B. 1921), Sec. 5, eff. September 1, 2017.

Sec. 8506.063. PUBLIC COMMENT POLICY. The board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any agenda item at board meetings.

Added by Acts 2017, 85th Leg., R.S., Ch. 269 (H.B. 1921), Sec. 5, eff. September 1, 2017.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8506.101. GENERAL POWERS. (a) The authority has:

(1) the powers of government and the authority to exercise the rights, privileges, and functions specified by this chapter; and

(2) all powers, rights, privileges, and functions conferred by general law on any district created pursuant to Section 59(a), Article XVI, Texas Constitution, except as expressly limited by this chapter.

(b) The authority may perform any act necessary or convenient to the exercise of the powers, rights, privileges, or functions conferred on the authority by this chapter or any other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.102. POWERS RELATED TO WATER OF COLORADO RIVER AND ITS TRIBUTARIES. Inside the boundaries of the authority, the authority may:

(1) control, store, and preserve the water of the Colorado River and its tributaries for any useful purpose; and

(2) use, distribute, and sell the water described by Subdivision (1) for any useful purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.103. SALE AND DISTRIBUTION OF WATER OUTSIDE BOUNDARIES OF AUTHORITY. The authority may:

(1) sell and distribute water outside the boundaries of the authority to any municipality for domestic, municipal, or irrigation purposes or to any person for municipal purposes or irrigation; and

(2) construct a flume, irrigation ditch, pipeline, or storage reservoir outside the authority for a purpose described by Subdivision (1).

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.
Sec. 8506.104. DEVELOPMENT, GENERATION, DISTRIBUTION, AND SALE
OF WATER POWER AND ELECTRIC ENERGY. (a) The authority may:
   (1) develop and generate water power and electric energy
       inside the boundaries of the authority; and
   (2) distribute and sell water power and electric energy
       inside or outside the boundaries of the authority.

(b) A use authorized by this section is subordinate and
inferior to an irrigation requirement.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05,
eff. April 1, 2017.

Sec. 8506.105. PREVENTION OF DAMAGE TO PERSONS OR PROPERTY.
The authority may prevent or aid in the prevention of damage to
persons or property from the water of the Colorado River and its
tributaries.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05,
eff. April 1, 2017.

Sec. 8506.106. FORESTATION AND REFORESTATION; PREVENTION OF
SOIL EROSION AND FLOODS. In the watershed of the Colorado River and
its tributaries, the authority may:
   (1) forest, reforest, or aid in foresting or reforesting;
   and
   (2) prevent or aid in the prevention of soil erosion and
       floods.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05,
eff. April 1, 2017.

Sec. 8506.107. AUTHORITY PROPERTY; EMINENT DOMAIN. (a) The
authority may acquire, maintain, use, and operate property of any
kind or any interest in property, inside or outside the boundaries of
the authority, necessary or convenient to the exercise of the powers,
rights, privileges, and functions conferred on the authority by this
chapter. The authority may acquire the property or interest in
property by purchase, lease, gift, exercise of the power of eminent

domain, or any other manner.

(b) The authority must exercise the power of eminent domain in the manner provided by:

(1) Chapter 21, Property Code; or

(2) the statutes relating to condemnation by districts organized under general law pursuant to Section 59(a), Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.108. SALE, LEASE, MORTGAGE, OR OTHER DISPOSITION OF AUTHORITY PROPERTY. (a) The authority may not:

(1) mortgage or otherwise encumber authority property of any kind, or any interest in authority property; or

(2) acquire any property or interest in property subject to a mortgage or conditional sale.

(b) Subsection (a) does not prevent pledging authority revenue as authorized by this chapter.

(c) This chapter does not authorize the sale, lease, or other disposition of authority property of any kind, or an interest in authority property, by the authority, by a receiver of any authority property, through a court proceeding, or otherwise.

(d) Notwithstanding Subsection (c), the authority may sell for cash authority property of any kind, or an interest in authority property, if:

(1) the board, by the affirmative vote of six members of the board, determines that the property or interest is not necessary or convenient to the business of the authority and approves the terms of the sale; and

(2) the aggregate value of the properties or interests sold in any year does not exceed $50,000.

(e) It is the intent of the legislature that, except by sale as expressly authorized by this section, authority property or an interest in authority property never come into the ownership or control, directly or indirectly, of any person other than a public authority created under the laws of this state.

(f) Authority property is exempt from forced sale. The sale of authority property under a judgment rendered in a suit is prohibited.
Sec. 8506.109. OVERFLOW OR INUNDATION OF PUBLIC PROPERTY; RELOCATION OF ROADS. The authority may overflow and inundate any public land or public property and require the relocation of a road or highway in the manner and to the extent permitted to a district organized under general law pursuant to Section 59(a), Article XVI, Texas Constitution.

Sec. 8506.110. CONSTRUCTION, MAINTENANCE, AND OPERATION OF FACILITIES. The authority may construct, extend, improve, maintain, and reconstruct, cause to be constructed, extended, improved, maintained, and reconstructed, and use and operate facilities of any kind necessary or convenient to the exercise of the authority's powers, rights, privileges, and functions.

Sec. 8506.111. SEAL. The authority may adopt and use a corporate seal.

Sec. 8506.112. GENERAL CONTRACT POWERS. The authority may make a contract or execute an instrument necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred on the authority by this chapter.
Sec. 8506.113. ADDITIONAL POWERS RELATING TO CONTRACTS, RULES, AND REGULATIONS. The authority may enter into and carry out contracts or establish or comply with rules and regulations concerning labor and materials and other related matters in connection with any project the authority considers desirable or as requested by the United States, or any corporation or agency created, designated, or established by the United States, that may assist in the financing of the project.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.114. LIMITATIONS ON POWERS OF AUTHORITY. (a) Notwithstanding any right or permit to use the water of the Colorado River and its tributaries for the generation of hydroelectric power that was issued by the former State Board of Water Engineers, was in existence as of May 2, 1935, and is acquired by the authority, the impounding and use of the floodwaters of the Colorado River and its tributaries for the generation of hydroelectric power by the authority or a person who succeeds to the rights and privileges conferred on the authority by this chapter are subject to the rights of any other person who before May 2, 1935, was impounding or as of that date was putting to beneficial use any water for the purposes described by Sections 11.024(1) and (2), Water Code, if the person:

(1) before May 2, 1935, received a permit for that use from the former State Board of Water Engineers; or

(2) by law was permitted before May 2, 1935, to impound water for those purposes.

(b) This chapter may not be construed to subject to condemnation by the authority or any successor of the authority, or by any person who succeeds to the rights and privileges conferred on the authority by this chapter, any water:

(1) impounded or to be impounded inside or outside the authority under any law authorizing water to be impounded or under any permit granted to a municipal corporation or body politic; or

(2) impounded or permitted to be impounded or used outside the authority under a permit granted to any person.

(c) This chapter may not be construed to deprive any person of the right to impound the water of the Colorado River or its...
tributaries for domestic or municipal purposes or to repeal any law granting such a right to a person.

(d) The rights of the authority to impound, use, or sell the water of the Colorado River and its tributaries for the generation of hydroelectric power are subordinate and inferior to the rights of:

(1) municipalities situated in the watershed of the Colorado River and its tributaries to build dams and impound floodwaters for municipal purposes; and

(2) any residents of this state or bodies politic to build dams and impound the floodwaters in the watershed of the Colorado River and its tributaries for domestic purposes and for the purposes of irrigation.

(e) The title to any right, property, license, franchise, or permit acquired by the authority is subject to the limitations imposed by Subsection (d).

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.115. PUBLIC USE OF AUTHORITY'S LAND. (a) The authority may not prevent free public use of its land for recreational purposes, hunting, or fishing except:

(1) at such points where, in the opinion of the board, the use would interfere with the proper conduct of the business;

(2) in connection with the enforcement of sanitary regulations; or

(3) to protect the public's health.

(b) All public rights-of-way not traversing the areas to be flooded by the impounded waters shall remain open as a way of free public passage to and from the lakes created, and a charge may not be made to the public for the right to engage in hunting, fishing, boating, or swimming thereon.

(c) On notice by a resident of this state of a violation of this section, the attorney general shall institute the proper legal proceedings to require the authority or its successor to comply with this section.

(d) If the authority sells any of the authority's land bordering a lake created under this chapter, the authority shall retain in each tract a strip 80 feet wide abutting the high-water
line of the lake for the purpose of passage and use by the public for public sports and amusements. This subsection does not apply to a sale of land by the authority to a state or federal agency to be used for game or fish sanctuaries, preserves, or for propagation purposes.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.116. COMPLAINTS. (a) The authority shall maintain a system to promptly and efficiently act on complaints filed with the authority. The authority shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition.

(b) The authority shall make information available describing its procedures for complaint investigation and resolution.

(c) The authority shall periodically notify the complaint parties of the status of the complaint until final disposition.

Added by Acts 2017, 85th Leg., R.S., Ch. 269 (H.B. 1921), Sec. 6, eff. September 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8506.151. DISBURSEMENT OF MONEY. The authority may disburse its money only by a check, draft, order, or other instrument signed by a person authorized to sign the instrument by the bylaws or a resolution in which at least five directors concur.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.152. ACCOUNTS, CONTRACTS, AND OTHER RECORDS; PUBLIC INSPECTION. (a) The authority shall keep complete and accurate accounts conforming to approved methods of bookkeeping.

(b) The accounts and all contracts, documents, and records of the authority shall be kept at the principal office of the authority.

(c) The contracts shall be open to public inspection at all reasonable times.
Sec. 8506.153. FILING OF COPIES OF AUDIT REPORT. Copies of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be certified to by the accountant who performed the audit and filed:

(1) as required by Section 49.194, Water Code; and
(2) with the comptroller.

Sec. 8506.154. RATES AND OTHER CHARGES. (a) The board shall establish and collect rates and other charges for the sale or use of water, water connections, power, electric energy, or other services sold, provided, or supplied by the authority.

(b) The rates and charges must be reasonable, nondiscriminatory, and sufficient to provide revenue adequate to:

(1) pay all expenses necessary to the operation and maintenance of the properties and facilities of the authority;
(2) pay the interest on and the principal of all bonds issued under this chapter or its predecessor statute when and as they become due and payable;
(3) pay all sinking fund or reserve fund payments agreed to be made with respect to bonds issued under this chapter or its predecessor statute and payable out of that revenue when and as they become due and payable; and
(4) fulfill the terms of any agreements made with the holders of bonds issued under this chapter or its predecessor statute or with any person in their behalf.

(c) The rates and charges may not exceed what may be necessary to fulfill the obligations imposed on the authority by this chapter.

Sec. 8506.155. USE OF EXCESS REVENUE. If the authority
receives revenue in excess of that required for the purposes specified by Section 8506.154(b), the board may:

(1) use the excess revenue to:
   (A) establish a reasonable depreciation and emergency fund; or
   (B) retire bonds issued under this chapter or its predecessor statute by purchase and cancellation or redemption; or
(2) apply the excess revenue to any corporate purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.156. TAX OR ASSESSMENT OR PLEDGE OF CREDIT OF STATE NOT AUTHORIZED BY CHAPTER. This chapter does not authorize the authority to:

(1) levy or collect a tax or assessment;
(2) create any debt payable out of taxes or assessments; or
(3) in any way pledge the credit of this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

**SUBCHAPTER E. OBLIGATIONS RELATING TO BORROWED MONEY OR GRANTS**

Sec. 8506.201. LOANS AND GRANTS. The authority may:

(1) borrow money for the authority's corporate purposes;
(2) borrow money or accept a grant from the United States and, in connection with the loan or grant, enter into any agreement the United States or the corporation or agency may require; and
(3) make and issue bonds for money borrowed, in the manner and to the extent provided by Sections 8506.204, 8506.205, 8506.206, 8506.207, and 8506.208.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.202. STATE PLEDGE REGARDING RIGHTS AND REMEDIES OF BONDHOLDERS. This chapter does not deprive this state of its power to regulate and control rates or charges to be collected for the use
of water, water connections, power, electric energy, or another service. The state pledges to and agrees with the purchasers and successive holders of the bonds issued under this chapter that the state will not limit or alter the power this chapter gives the authority to establish and collect rates and charges that will produce revenue sufficient to pay the items specified by Section 8506.154(b) or in any way impair the rights or remedies of the holders of the bonds, or of any person in their behalf, until the following are fully met and discharged:

1. the bonds;
2. the interest on the bonds;
3. interest on unpaid installments of interest;
4. all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders; and
5. all other obligations of the authority in connection with the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.203. OBLIGATION PAYABLE FROM REVENUE. A debt, liability, or obligation of the authority for the payment of money, however entered into or incurred and whether arising from an express or implied contract or otherwise, is payable solely:

1. out of the revenue received by the authority with respect to its properties, subject to any prior lien on the revenue conferred by any resolution previously adopted as provided by this chapter authorizing the issuance of bonds; or
2. if the board so determines, out of the proceeds of sale by the authority of bonds payable solely from revenue described by Subdivision (1).

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.204. POWER TO ISSUE REVENUE BONDS. (a) The authority may issue revenue bonds for any corporate purpose in any amount authorized by the directors but not to exceed an aggregate principal amount of $6 million.
(b) The bonds may be secured only by a pledge of the amounts granted or donated by this state or out of any other current revenue of the district, which amounts shall be paid to the legal holders of the bonds.

(c) The bonds must be authorized by a board resolution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.205. TERMS OF ISSUANCE. Authority bonds may be:

(1) sold for cash;

(2) issued on terms the board determines in exchange for property of any kind, or any interest in property, that the board considers necessary or convenient for the corporate purpose for which the bonds are issued; or

(3) issued in exchange for like principal amounts of other obligations of the authority, whether matured or unmatured.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.206. DEPOSIT OF PROCEEDS. The proceeds of sale of authority bonds shall be deposited in one or more banks or trust companies, and shall be paid out according to the terms, on which the authority and the purchasers of the bonds agree.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.207. RESOLUTION PROVISIONS. (a) A resolution authorizing bonds may contain provisions approved by the board that are not inconsistent with this chapter, including provisions:

(1) reserving the right to redeem the bonds at the time or times, in the amounts, and at the prices, not exceeding 105 percent of the principal amount of the bonds, plus accrued interest, as may be provided;

(2) providing for the setting aside of sinking funds or reserve funds and the regulation and disposition of those funds;
(3) pledging, to secure the payment of the principal of and interest on the bonds and of the sinking fund or reserve fund payments agreed to be made with respect to the bonds:
   (A) all or any part of the gross or net revenue subsequently received by the authority with respect to the property to be acquired or constructed with the bonds or the proceeds of the bonds; or
   (B) all or any part of the gross or net revenue subsequently received by the authority from any source;

(4) prescribing the purposes to which the bonds or any bonds subsequently to be issued, or the proceeds of the bonds, may be applied;

(5) agreeing to set and collect rates and charges sufficient to produce revenue adequate to pay the items specified by Section 8506.154(b) and prescribing the use and disposition of all revenue;

(6) prescribing limitations on the issuance of additional bonds and on the agreements that may be made with the purchasers and successive holders of those bonds;

(7) regarding the construction, extension, improvement, reconstruction, operation, maintenance, and repair of the properties of the authority and the carrying of insurance on all or any part of those properties covering loss or damage or loss of use and occupancy resulting from specified risks;

(8) setting the procedure, if any, by which, if the authority so desires, the terms of a contract with the bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to that amendment or abrogation, and the manner in which the consent may be given; and

(9) providing for the execution and delivery by the authority to a bank or trust company authorized by law to accept trusts, or to the United States or any officer of the United States, of indentures and agreements for the benefit of the bondholders setting forth any or all of the agreements authorized by this chapter to be made with or for the benefit of the bondholders and any other provisions that are customary in such indentures or agreements.

(b) A provision authorized by this section that is contained in a bond resolution is part of the contract between the authority and the bondholders.
Sec. 8506.208. DEFAULT PROCEDURES. (a) This section applies only to a default in:

(1) the payment of the interest on bonds as the interest becomes due and payable;

(2) the payment of the principal of bonds as they become due and payable, whether at maturity, by call for redemption, or otherwise; or

(3) the performance of an agreement made with the purchasers or successive holders of bonds.

(b) A resolution authorizing bonds and any indenture or agreement entered into under the resolution may provide that in the event of a default described by Subsection (a) that continues for a period, if any, prescribed by the resolution, the trustee under the indenture entered into with respect to the bonds authorized by the resolution, or, if there is no indenture, a trustee appointed in the manner provided in the resolution by the holders of 25 percent in aggregate principal amount of the bonds authorized by the resolution and then outstanding may, and on the written request of the holders of 25 percent in aggregate principal amount of the bonds authorized by the resolution then outstanding, shall, in the trustee's own name, but for the equal and proportionate benefit of the holders of all of the bonds, and with or without having possession of the bonds:

(1) by mandamus or other suit, action, or proceeding at law or in equity, enforce all rights of the bondholders;

(2) bring suit on the bonds or the appurtenant coupons;

(3) by action or suit in equity, require the authority to account as if it were the trustee of an express trust for the bondholders;

(4) by action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the bondholders; or

(5) after such notice to the authority as the resolution may provide, declare the principal of all of the bonds due and payable, and if all defaults have been made good, then with the written consent of the holders of 25 percent in aggregate principal amount of the bonds then outstanding, annul the declaration and its
consequences.

  (c) Notwithstanding Subsection (b), the holders of more than a majority in principal amount of the bonds authorized by the resolution and then outstanding, by written instrument delivered to the trustee, are entitled to direct and control any and all action taken or to be taken by the trustee under this section.

  (d) A resolution, indenture, or agreement relating to bonds may provide that in a suit, action, or proceeding under this section, the trustee, whether or not all of the bonds have been declared due and payable and with or without possession of any of the bonds, is entitled to the appointment of a receiver who may:

  (1) enter and take possession of all or any part of the properties of the authority;

  (2) operate and maintain the properties;

  (3) set, collect, and receive rates and charges sufficient to provide revenue adequate to pay the items specified by Section 8506.154(b) and the costs and disbursements of the suit, action, or proceeding; and

  (4) apply the revenue in conformity with this chapter and the resolution authorizing the bonds.

  (e) In a suit, action, or proceeding by a trustee under this section, the reasonable fees, attorney's fees, and expenses of the trustee and of the receiver, if any, constitute taxable disbursements, and all costs and disbursements allowed by the court are a first charge on any revenue pledged to secure the payment of the bonds.

  (f) The courts of the county in which the authority is domiciled have jurisdiction of a suit, action, or proceeding by a trustee on behalf of the bondholders and of all property involved in the suit, action, or proceeding.

  (g) In addition to the powers specifically provided by this section, a trustee has all powers necessary or appropriate for the exercise of the powers specifically provided or incident to the general representation of the bondholders in the enforcement of their rights.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.
Sec. 8506.209.  POWER OF AUTHORITY TO PURCHASE BONDS ISSUED BY AUTHORITY.  (a)  Using any money available for the purpose, the authority may purchase bonds issued by it at a price not exceeding the redemption price applicable at the time of purchase, or, if the bonds are not redeemable, at a price not exceeding the principal amount of the bonds plus accrued interest.

(b)  All bonds purchased under this section shall be canceled, and bonds may not be issued in lieu of those bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

Sec. 8506.210.  BONDS EXEMPT FROM TAXATION.  A bond issued under this chapter and the interest on the bond is exempt from taxation, except inheritance taxes, by this state or by any political subdivision of this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.05, eff. April 1, 2017.

SUBTITLE H. DISTRICTS GOVERNING GROUNDWATER

CHAPTER 8801.  HARRIS-GALVESTON SUBSIDENCE DISTRICT

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8801.001.  DEFINITIONS.  In this chapter:

(1) "Agricultural crop":
  (A) means food or fiber commodities that are grown for resale or commercial purposes and that are to be used for food, clothing, or animal feed; and
  (B) includes nursery products and florist items that are in the possession of a nursery grower.

(1-a) "Beneficial use" means any use that is useful or beneficial to the user, including:
  (A) an agricultural, gardening, domestic, stock raising, municipal, mining, manufacturing, industrial, commercial, or recreational use, or a use for pleasure purposes; or
  (B) exploring for, producing, handling, or treating oil, gas, sulfur, or other minerals.

(1-b) "Board" means the board of directors of the district.

(2) "Commission" means the Texas Commission on
Environmental Quality.

(3) "District" means the Harris-Galveston Subsidence District.

(3-a) "Florist item" means a cut flower, potted plant, blooming plant, inside foliage plant, bedding plant, corsage flower, cut foliage, floral decoration, or live decorative material.

(4) "Groundwater" means water located beneath the earth's surface. The term does not include water produced with oil in the production of oil and gas.

(4-a) "Nursery grower" means a person who grows in any medium more than 50 percent of the nursery products or florist items that the person sells or leases. A person grows a nursery product or florist item if the person cultivates or propagates the product or item by engaging in activities associated with the production or multiplying of stock, including the development of new plants from cuttings, grafts, plugs, or seedlings. The term does not include a person who merely holds or maintains a nursery product or florist item before sale or lease.

(4-b) "Nursery product" includes a tree, shrub, vine, cutting, graft, scion, grass, bulb, or bud that is grown or kept for, or capable of, propagation and distribution for sale or lease.

(4-c) "Regional water supplier" means a political subdivision of this state that has:

(A) the authority to conserve, store, treat, and purify water and to transport, distribute, sell, and deliver water to any person in this state; and

(B) an approved groundwater reduction plan.

(5) "Subsidence" means the lowering of the elevation of the surface of land by groundwater withdrawal.

(5-a) "Waste" means:

(A) the withdrawal of groundwater from a groundwater reservoir at a rate and in an amount that causes or threatens to cause intrusion into the reservoir of water unsuitable for agricultural, gardening, domestic, or stock raising purposes;

(B) the flowing or producing of wells from a groundwater reservoir if the water produced is not used for a beneficial use or if the amount used is more than is reasonably required for a beneficial use;

(C) the escape of groundwater from a groundwater reservoir to any other reservoir or geologic strata that does not
contain groundwater;

(D) the pollution or harmful alteration of groundwater in a groundwater reservoir by saltwater or other harmful matter admitted from another stratum or from the surface of the ground;

(E) wilfully or negligently causing, suffering, or allowing groundwater to escape or flow into a river, creek, natural watercourse, depression, lake, reservoir, drain, sewer, street, highway, road, or road ditch, or onto land that does not belong to the owner of the well unless the discharge is authorized by a permit, rule, or order issued by the commission under Chapter 26, Water Code;

(F) the escape of groundwater pumped for irrigation as irrigation tailwater onto land that does not belong to the owner of the well unless the occupant of the land receiving the discharge granted permission for the discharge; or

(G) wilfully causing or knowingly permitting the water produced from an artesian well to run off the owner's land or to percolate through the stratum above which the water is found, as prescribed by Section 11.205, Water Code.

(6) "Water conservation" means a measure that seeks to make a water supply available for alternative or future use. The term includes best management practices, improved efficiency or accountability, recycling, reuse, pollution prevention, and reduction in consumption, loss, or waste.

(7) "Well" means a facility, device, or method used to withdraw groundwater from the groundwater supply.

(8) "Well owner" means a person who has an ownership interest in a well, operates a well, owns land on which a well is located, or owns the water withdrawn or to be withdrawn from a well.

(9) "Withdrawal" means the act of extracting by pumping or some other method.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 2, eff. May 27, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 1187 (S.B. 1031), Sec. 1, eff. June 14, 2013.

Sec. 8801.002. NATURE OF DISTRICT. The district is a
conservation and reclamation district created under Section 59, Article XVI, Texas Constitution, and is essential to accomplish the purposes of that section.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:
Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 3, eff. May 27, 2005.

Sec. 8801.003. PURPOSE; LEGISLATIVE INTENT. (a) The purpose of this chapter is to provide for the regulation of groundwater withdrawal in the district to end subsidence, which contributes to or precipitates flooding or overflow of the district, including rising water resulting from a storm or hurricane.

(b) The legislature intends that the district shall administer and enforce this chapter and exercise the district’s rights, powers, and duties in a manner that will effectively and expeditiously accomplish the purpose of this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) The works and projects accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution, will benefit all the land and other property included in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.005. DISTRICT TERRITORY. The district includes the territory located within the boundaries of Harris County and Galveston County, as that territory may have been modified under:

(1) Section 8801.006 or its predecessor statute, former Section 151.003(b), Water Code; or

(2) other law.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:
SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8801.051. DIRECTORS. (a) The district is governed by a board composed of 19 directors appointed as provided by this section. Directors serve for two-year, staggered terms. A director must be a qualified voter of the district.

(b) The mayor of the municipality with the largest population of any municipality in the district shall appoint six directors from that municipality. One of those directors must be a representative of industry.

(c) The mayor of the municipality with the second largest population of any municipality in the district shall appoint one director from that municipality.

(d) The mayors of all municipalities in Galveston County shall jointly appoint two directors from those municipalities.

(e) The mayor of Baytown shall appoint one director from the municipality of Baytown.

(f) The Commissioners Court of Harris County shall appoint three directors who are not residents of the municipality that has the largest population of any municipality in the district. One of those directors must be a representative of agriculture, one must be a representative of industry, and one must be a representative of municipal utility districts and a resident of a municipal utility district in the district.

(g) The Commissioners Court of Galveston County shall appoint three directors. One of those directors must be a representative of municipal utility districts and a resident of a municipal utility district in the district.

(h) The president of the Clear Lake City Water Authority and the mayors of the municipalities of Deer Park, Galena Park, La Porte, Nassau Bay, and Seabrook shall jointly appoint one director from Harris County.

(i) The mayors of the municipalities of West University Place, Southside Place, Bellaire, and Jacinto City shall jointly appoint one director from Harris County.

(j) The mayors of the municipalities of Humble, Piney Point Village, Hedwig Village, Bunker Hill Village, Hunters Creek Village,
Hilshire Village, and Spring Valley shall jointly appoint one director from Harris County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.052. FEES OF OFFICE; REIMBURSEMENT. (a) A director is entitled to fees of office of not more than $150 a day for each day the director actually spends performing the duties of a director. The fees of office may not exceed $9,000 a year.

(b) Each director is entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district.

(c) To receive fees of office and reimbursement for expenses, each director must file with the district a verified statement that shows the number of days spent in the service of the district and a general description of the duties performed for each day of service.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:

Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 4, eff. May 27, 2005.

Sec. 8801.053. BOARD POWERS AND DUTIES. (a) In addition to the powers and duties described in this chapter, the board has all other powers necessary or convenient to carry out its responsibilities and accomplish the purpose of this chapter.

(b) The board may adopt bylaws and policies as necessary to accomplish its purposes.

(c) The board may purchase materials, supplies, equipment, vehicles, and machinery needed by the district to accomplish its purposes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:

Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 4, eff. May 27, 2005.

Sec. 8801.054. OFFICERS. (a) Each year, at the first meeting
after the new directors take office, the directors shall select from among the directors a chair, a vice chair, and a secretary.

(b) The chair shall preside over meetings of the board and execute all documents on behalf of the district. The vice chair shall act as chair if the chair is absent or disabled. The secretary shall ensure that all records and books of the district are properly kept and attest to the chair's signature on all documents. The board may authorize another director, the general manager, or any employee to execute documents on behalf of the district and to certify the authenticity of any record of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 4, eff. May 27, 2005.

Sec. 8801.055. MEETINGS. (a) The board shall hold regular meetings once each month at a time set by the board. The board may hold special meetings at the call of the chair or on the written request of at least three directors.

(b) A meeting of a committee of the board at which less than a quorum is present is not subject to Chapter 551, Government Code.

(c) The board shall give notice of meetings of the board as provided by Chapter 551, Government Code. Failure to provide notice of a regular meeting or an insubstantial defect in notice of any meeting does not affect the validity of any action taken at the meeting.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 4, eff. May 27, 2005.

Sec. 8801.0551. QUORUM. A majority of the membership of the board constitutes a quorum for any meeting, and a concurrence of a majority of the entire membership of the board is sufficient for transacting any district business.

Added by Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 4, eff. May
Sec. 8801.0552. SWORN STATEMENT, BOND, AND OATH OF OFFICE. (a) As soon as practicable after a director is appointed, the director shall make the sworn statement prescribed by the constitution for public officers.

(b) As soon as practicable after a director has made the sworn statement and before beginning to perform the duties of office, the director shall take the oath of office prescribed by the constitution for public officers.

(c) Before beginning to perform the duties of office, each director shall execute a bond for $10,000 payable to the district and conditioned on the faithful performance of the director's duties. A director's bond must be approved by the board and paid for by the district.

(d) The sworn statement shall be filed as prescribed by the constitution. The bond and oath shall be filed with the district and retained in its records. A duplicate original of the oath shall also be filed with the secretary of state not later than the 10th day after the date on which the oath was executed. The new director may begin to perform the duties of office before the oath is filed.

Added by Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 4, eff. May 27, 2005.

Sec. 8801.056. VACANCIES. If a vacancy occurs on the board, a person representing the same area as the vacating director shall be appointed as provided by Section 8801.051 to serve the unexpired term.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.057. GENERAL MANAGER. (a) The board shall employ a general manager, who serves as the chief administrative officer of the district. The board may delegate to the general manager full authority to manage district affairs or operate the district subject only to orders by the board.

(b) The duties of the general manager include:
(1) administering board orders;
(2) coordinating with state, federal, and local agencies;
(3) overseeing development of district plans and programs;
and
(4) performing other duties assigned by the board.

(c) The board shall determine the compensation and terms of office and employment for the general manager.

(d) The board by majority vote may discharge the general manager.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 5, eff. May 27, 2005.

Sec. 8801.058. EMPLOYEES; BOND. (a) The general manager shall employ persons necessary to properly handle district business and operation. The general manager may employ attorneys, bookkeepers, engineers, and other expert and specialized personnel considered necessary.

(b) The general manager shall determine the compensation paid to district employees.

(c) The general manager may discharge a district employee.

(d) The board shall require an employee who collects, pays, or handles district funds to furnish a good and sufficient bond. The bond must be in an amount sufficient to safeguard the district and must be:

(1) payable to the district; and
(2) conditioned on the faithful performance of the employee's duties and on accounting for all district funds and property in the employee's hands.

(e) The district shall pay for the bond described by Subsection (d).

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.059. EMPLOYEE BENEFITS. (a) The board may provide for and administer retirement, disability, and death compensation funds for the employees of the district.
(b) The board may establish a public retirement system as provided by Chapter 810, Government Code, or provide for a deferred compensation plan as described by Section 457, Internal Revenue Code of 1986.

(c) The board may include hospitalization and medical benefits for its employees as part of the compensation paid to employees and may adopt or amend a plan or rule as necessary to provide hospitalization and medical benefits.

(d) The board may establish a sick leave pool for employees of the district in the same manner as a sick leave pool for state employees is authorized to be created under Subchapter A, Chapter 661, Government Code.

Added by Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 6, eff. May 27, 2005.

Sec. 8801.060. EXPENDITURES. (a) The district's money may be disbursed only by check, draft, order, electronic funds transfer, or other instrument. The board may by resolution allow disbursements to be transferred by federal reserve wire system to accounts in the name of the district.

(b) Disbursements must be signed by at least two directors unless the board by resolution allows certain employees of the district, or a combination of employees and directors, to sign disbursements on behalf of the board.

Added by Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 6, eff. May 27, 2005.

Sec. 8801.061. FISCAL YEAR. The fiscal year of the district is the calendar year.

Added by Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 6, eff. May 27, 2005.

Sec. 8801.062. ANNUAL AUDIT. (a) The board annually shall order an audit to be made of the financial condition of the district.

(b) The annual audit and other district records must be open
for inspection during regular business hours at the principal office of the district.

Added by Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 6, eff. May 27, 2005.

Sec. 8801.063. ANNUAL BUDGET. (a) The board shall adopt an annual budget.

(b) The budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand to the credit of each fund of the district;
(3) the amount of money received by the district from all sources during the previous year;
(4) the amount of money available to the district from all sources during the ensuing year;
(5) the amount of the balances expected at the end of the year in which the budget is being prepared;
(6) the estimated amount of revenues and balances available to cover the proposed budget; and
(7) the estimated fee revenues that will be required.

(c) The board may amend the annual budget adopted under Subsection (a).

Added by Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 6, eff. May 27, 2005.

Sec. 8801.064. DEPOSITORY. (a) The board shall name one or more banks to serve as depository for district money.

(b) District money must be deposited as received with the depository bank and must remain on deposit. This subsection does not limit the power of the board to place a portion of the district's money on time deposit or to purchase certificates of deposit or other authorized investments.

(c) To the extent that money in the depository is not insured by the Federal Deposit Insurance Corporation, the money must be secured as provided by Chapter 2257, Government Code.
Sec. 8801.065. INVESTMENTS. (a) District money may be invested and reinvested in accordance with Chapter 2256, Government Code.

(b) The board, by resolution, may provide that an authorized representative of the district may invest and reinvest district money and provide for money to be withdrawn from the appropriate district accounts for investments on terms that the board considers advisable.

Sec. 8801.066. INVESTMENT OFFICER. (a) Notwithstanding Section 2256.005(f), Government Code, the board may contract with a person to act as investment officer of the district.

(b) The investment officer shall:

(1) not later than the first anniversary of the date the officer takes office or assumes the officer's duties, attend a training session of at least six hours of instruction relating to investment responsibilities under Chapter 2256, Government Code; and

(2) attend at least four hours of additional investment training within each two-year period after the first year.

(c) Training under this section must be from an independent source approved by:

(1) the board; or

(2) a designated investment committee advising the investment officer.

(d) Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with Chapter 2256, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1187 (S.B. 1031), Sec. 2, eff. June 14, 2013.
Sec. 8801.101. DISTRICT POWERS AND DUTIES. Except as provided by Section 8801.103, the district has all of the rights, powers, privileges, and authority necessary and convenient to exercise its jurisdiction and powers as provided by this chapter, whether the jurisdiction and powers are specifically authorized by this chapter or implied from this chapter or other law.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
  Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 7, eff. May 27, 2005.
  Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 2.02, eff. April 1, 2007.

Sec. 8801.102. NONAPPLICABILITY OF OTHER LAW. (a) Other laws governing the administration or operation of conservation and reclamation districts created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, including Chapters 36 and 49, Water Code, do not apply to the district.

(b) Notwithstanding Section 36.052, Water Code, this chapter prevails over any other law in conflict or inconsistent with this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
  Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 7, eff. May 27, 2005.

Sec. 8801.103. SALE OR DISTRIBUTION OF WATER PROHIBITED. The district may not sell or distribute surface water or groundwater for any purpose.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.104. AUTHORITY TO COMPEL TESTIMONY, ADMINISTER OATHS, AND ISSUE SUBPOENAS. If necessary to carry out its powers, duties, and functions under this chapter, the board may:
  (1) compel the testimony of a person;
(2) administer an oath to a person compelled to testify before the board or a person designated by the board; and
(3) issue a subpoena to compel the testimony of a person and the production of a document.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.105. SUITS BY OR AGAINST THE DISTRICT; REPRESENTATION BY ATTORNEY GENERAL. (a) The district may sue and be sued in the courts of this state in the name of the district by and through the board.

(b) At the request of the district, the attorney general shall defend the district in suits brought against the district in all district and appellate courts of this state and in the courts of the United States.

(c) The district may engage outside attorneys to initiate or defend suits on behalf of the district.

(d) The general manager is the agent of the district on whom process, notice, or demand required or permitted by law to be served on the district may be served.

(e) The district is not required to give bond for appeal, injunction, or costs in any suit to which it is a party.

(f) If the district prevails in any suit other than a suit in which it voluntarily intervenes, the district may seek and the court shall grant, in the same action, recovery for attorney's fees, costs for expert witnesses, and other costs incurred by the district before the court. The court shall set the amount of the attorney's fees.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 7, eff. May 27, 2005.

Sec. 8801.106. GRANTS; CONTRACTS. (a) The district may make or accept a grant, gratuity, advance, or loan in any form to or from any public source approved by the board, including a governmental entity, and may enter into a contract, agreement, or covenant that the board considers appropriate in connection with a grant, gratuity, advance, or loan.
(b) The district may enter into contracts only in the district's name.

(c) The district may purchase property from another governmental entity by negotiated contract without securing appraisals or advertising for bids.

(d) The district may use the reverse auction procedure, as defined by Section 2155.062, Government Code, for purchasing.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 7, eff. May 27, 2005.

Sec. 8801.107. COOPERATION WITH GOVERNMENTAL ENTITIES. In implementing this chapter, the board may request the assistance of and cooperate with a local government or an agency of this state or of the United States.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.108. RULES. (a) After notice and hearing, the board shall adopt rules designed to expeditiously and effectively implement this chapter and accomplish its purpose, including rules governing procedures before the board. The board may adopt rules to prevent the waste of groundwater or the degradation of water quality. The board shall enforce the rules.

(b) The board shall compile its rules in a book and make the rules available for use and inspection at the district's principal office.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 8, eff. May 27, 2005.

Sec. 8801.109. HEARINGS. (a) Board hearings must be conducted as provided by this section and Section 8801.110.

(b) At a regular meeting of the board, the board shall set the
dates, times, and locations for hearings to be held under this chapter. The board may hold hearings at any location in the district and may recess a hearing from day to day.

(c) A person may appear at a hearing and present testimony, evidence, exhibits, or other information in person or by counsel, or both.

(d) The board may use hearing examiners to hear a subject set for the hearing, but the board must make the decision on the subject. Procedures for use of hearing examiners shall be provided by rule.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.110. NOTICE OF HEARINGS. (a) Except as provided by this section, notice of hearings shall be provided according to Chapter 551, Government Code.

(b) At a meeting at which the board sets a hearing, the board shall direct the general manager of the district to give notice of the hearing.

(c) Written notice of a hearing other than a hearing on a permit application must be given to:

(1) each county, regional water supplier, and municipal government in the district; and

(2) each person that the board believes has an interest in the subject matter of the hearing.

(d) Notice of a hearing must be published at least once in a newspaper of general circulation in each county in the district.

(e) A copy of the notice must be provided to each county clerk to be posted in the place where notices are usually posted at the county courthouse of each county in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 9, eff. May 27, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 1187 (S.B. 1031), Sec. 3, eff. June 14, 2013.

Sec. 8801.111. DISTRICT PLAN. (a) The board shall formulate a plan to control and prevent subsidence in the district.
(b) The plan must:
(1) reduce groundwater withdrawals to amounts that will
restore and maintain sufficient artesian pressure to control and
prevent subsidence; and
(2) specify in as much detail as practicable the acts,
procedures, performance, and avoidance that are necessary to
accomplish the purpose of this chapter.
(c) Information gathered for formulating the plan must include:
(1) a list of all wells in the district that are subject to
regulation under this chapter;
(2) a list of all available sources of water, other than
groundwater, in the district;
(3) the purposes for which the water described by
Subdivision (2) is used and for which it is proposed to be used;
(4) accurate estimates of:
   (A) groundwater withdrawal from all wells or proposed
   wells in the district;
   (B) the amount of groundwater that may be withdrawn
   from each area in the district without causing a reduction of
   artesian pressure that will lead to subsidence in the district; and
   (C) current and future water needs in the district;
(5) information relating to formulating a permit system;
and
(6) other information and material necessary to manage
groundwater in the district and to effectively and expeditiously
accomplish the purpose of this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.112. ADOPTION OF DISTRICT PLAN. (a) The board shall
hold a hearing to consider a plan formulated under Section 8801.111.
(b) After the hearing, the board shall:
(1) make any changes it considers necessary according to
evidence and material presented at the hearing; and
(2) adopt the plan.
(c) The board may amend or repeal a plan adopted under this
section and may adopt a new plan as provided by this section for the
adoption of the original plan.
(d) An adopted plan remains in effect until a new plan is
Sec. 8801.113. WATER CONSERVATION MEASURES. (a) The board may adopt rules requiring the use of water conservation measures to reduce groundwater withdrawals.

(b) The district may cooperate with the commission and any local government to establish water conservation goals, guidelines, and plans to be used in the district.

(c) The district may contract with a local government in the district to provide services needed to meet water conservation requirements that the commission establishes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.114. DISTRICT RESEARCH. (a) The district may conduct studies and research that the board considers necessary to implement this chapter. In conducting studies and research, the district may use the services of geologists, hydrologists, licensed professional engineers, licensed professional geoscientists, or other expert personnel.

(b) The district may collect any information that the board determines is necessary to implement this chapter, including information regarding the use of groundwater, water conservation, and the practicability of recharging a groundwater reservoir.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:
Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 10, eff. May 27, 2005.

Sec. 8801.115. STUDIES BY BOARD STAFF. At least once each year and at any other time the board considers necessary, the board shall have its staff and, if necessary, the staff of the Texas Water Development Board make a complete study of the groundwater in the district and determine:

(1) the water level;
(2) the rates and amounts of groundwater withdrawal; and
(3) other information relating to groundwater withdrawal that may affect subsidence in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
    Acts 2013, 83rd Leg., R.S., Ch. 1187 (S.B. 1031), Sec. 4, eff. June 14, 2013.

Sec. 8801.116. ACCESS TO PROPERTY. (a) To perform technical and other investigations needed to implement this chapter, the board and its agents and employees are entitled to access to all property in the district.
    (b) Before entering property for the purposes of this section, the person seeking access shall:
        (1) give notice to the owner of the property as provided by district rules; and
        (2) present proper credentials.
    (c) The board and its agents and employees who enter private property shall observe the establishment's rules concerning safety, internal security, and fire protection.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.117. ANNUAL GROUNDWATER WITHDRAWAL DETERMINATION. (a) The board shall hold an annual hearing to determine the effects of groundwater withdrawal during the preceding calendar year on subsidence in the district.
    (b) At the hearing, the board shall consider information provided under Sections 8801.115 and 8801.162 and information presented by persons appearing before the board.
    (c) After the hearing, the board shall:
        (1) consider all information presented to it;
        (2) determine groundwater withdrawal in the district during the preceding calendar year; and
        (3) make findings on the effects of groundwater withdrawal during the preceding calendar year on subsidence in the district.
    (d) The board's findings and determinations under Subsection (c) shall be included in a report adopted by the board. The board
shall make the report available for examination by any interested person.

(e) The board shall submit the report adopted under Subsection (d) and a copy of the most recent district plan adopted under Section 8801.112 to the appropriate regional water planning group.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
    Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 11, eff. May 27, 2005.
    Acts 2013, 83rd Leg., R.S., Ch. 1187 (S.B. 1031), Sec. 5, eff. June 14, 2013.

Sec. 8801.118.  MONITORING AND SUPERVISION BY DISTRICT.  (a) The district may use subsidence compaction monitors, water-level observation wells, and other materials and equipment to determine the amount of groundwater that may be withdrawn while allowing groundwater to rebound and stabilize to a level that will halt subsidence.

(b) The district may use global positioning systems and other geodetic survey methods to monitor land surface elevations and measure subsidence. The district may coordinate monitoring and data collection activities with other entities, including private entities and federal, state, or local governmental entities.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
    Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 12, eff. May 27, 2005.

Sec. 8801.119.  REGULATION OF SPACING AND GROUNDWATER WITHDRAWAL.  (a) To minimize as far as practicable the drawdown of the water table and the reduction of artesian pressure and to control and prevent subsidence, the board may provide for the spacing of wells in the district and may regulate groundwater withdrawal from wells, taking into consideration the economic impact on well owners, the resulting effect on subsidence, and other relevant factors.

(b) Before issuing an order or rule under this section, the board shall set a hearing on the proposed order or rule.
(c) The district may adopt different rules for:

(1) each aquifer, subdivision of an aquifer, or geologic stratum located wholly or partly within the boundaries of the district; or

(2) each geographic area overlying an aquifer or subdivision of an aquifer located wholly or partly within the boundaries of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 13, eff. May 27, 2005.

Sec. 8801.120. WATER-METERING DEVICES. The board may require water-metering devices to be placed on wells in the district and may adopt standards for the accuracy, testing, and calibration of the devices.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 14, eff. May 27, 2005.

Sec. 8801.121. REQUIRED WRITTEN POLICIES. The board shall adopt the following written policies:

(1) a code of ethics for district directors, officers, and employees, and persons who are engaged in handling investments for the district;

(2) a policy relating to travel expenditures;

(3) a policy relating to district investments;

(4) policies and procedures for selection, monitoring, or review and evaluation of professional services; and

(5) policies that ensure a better use of management information, including the use of:

(A) budgets to plan and control cost; and

(B) uniform reporting requirements based on "Audits of State and Local Governmental Units," published by the American Institute of Certified Public Accountants, and "Governmental Accounting and Financial Reporting Standards," published by the
Sec. 8801.122. RECORDS. The board shall maintain a complete account of all meetings and proceedings and shall preserve its minutes, contracts, records, notices, accounts, receipts, and other records in a safe place.

Added by Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 14, eff. May 27, 2005.

Sec. 8801.123. OPEN OR UNCOVERED WELLS. (a) The district may require the owner or lessee of land on which an open or uncovered well is located to keep the well closed or capped with a covering capable of sustaining weight of at least 400 pounds when the well is not in actual use.

(b) If the owner or lessee fails or refuses to close or cap the well, any person, firm, or corporation employed by the district may enter onto the land and close or cap the well safely and securely.

Added by Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 14, eff. May 27, 2005.

SUBCHAPTER D. REGULATORY PROVISIONS

Sec. 8801.151. GROUNDWATER WITHDRAWALS SUBJECT TO BOARD RULE. (a) Groundwater withdrawals governed by this chapter, including withdrawals of injected water, are subject to reasonable board rules and orders, taking into account all factors, including availability of surface water or alternative water supplies, economic impact on persons and the community, degree and effect of subsidence on the surface of land, and differing topographical and geophysical characteristics of land areas in the district.

(b) The board may issue permits to drill new wells and may, by rule, provide exemptions from the permit requirements. The district shall grant a permit to drill and operate a new well inside a platted subdivision if water service from a local retail public utility is
Sec. 8801.152. CERTAIN GROUNDWATER USES EXEMPT. The permit requirements of this chapter do not apply to:

(1) a well regulated under Chapter 27, Water Code;

(2) a well with a casing diameter of less than five inches that serves only a single-family dwelling; and

(3) any other well as provided by board rule.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 15, eff. May 27, 2005.
Acts 2013, 83rd Leg., R.S., Ch. 1187 (S.B. 1031), Sec. 7, eff. June 14, 2013.

Sec. 8801.154. WELL REGISTRATION. The board by rule may require the registration of any well in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.155. PERMIT REQUIRED. (a) A well owner must obtain a permit from the board before:

(1) drilling, equipping, or completing the well;

(2) substantially altering the size of the well or a well pump; or

(3) operating the well.

(b) A well must have a valid permit if it is operational.

(c) A well owner commits a violation if the well owner does not
obtain a permit as required by Subsection (a). A violation occurs on the first day the drilling, alteration, or operation begins. Each day that a violation continues is a separate violation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 15, eff. May 27, 2005.
Acts 2013, 83rd Leg., R.S., Ch. 1187 (S.B. 1031), Sec. 8, eff. June 14, 2013.

Sec. 8801.156. APPLICATION FOR PERMIT. (a) A person must submit an application to the board to obtain a permit under this chapter.

(b) The application must state:
(1) the name and address of the person requesting the permit;
(2) the location and wellhead elevation of the well or proposed well;
(3) the amount of water being withdrawn or proposed to be withdrawn; and
(4) any other information necessary for the board to control and prevent subsidence in the district.

(c) The board shall set a reasonable fee for processing an application. The application must be accompanied by the fee.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.157. NOTICE AND HEARING ON PERMIT. (a) On receiving an application for a permit, the board shall issue notice and set a time for a hearing on the application.

(b) The board must give written notice of the date, time, and location of the hearing to the applicant by regular mail or by certified mail, return receipt requested.

(c) The board may consider as many applications for permits as necessary at a hearing.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 16, eff. May 27, 2005.

Sec. 8801.158. ISSUANCE OF PERMIT. (a) Within a reasonable period after a permit hearing under Section 8801.157, but not later than the 60th day after the date of the hearing, the board shall:

(1) decide whether to issue the permit; and
(2) set the terms of the permit if it decides to issue the permit.

(b) In deciding whether to issue a permit and in setting the terms of the permit, the board shall consider:

(1) the purpose of this chapter;
(2) the district plan;
(3) the quality, quantity, and availability of surface water or alternative water supplies at prices that are competitive with prices charged by suppliers of surface water in the district;
(4) the economic impact on the applicant of a decision to issue or deny the permit, or of the permit terms, in relation to the effect on subsidence that would result;
(5) the applicant's use of water conservation measures;
(6) the applicant's compliance with the requirements of this chapter or any rule, permit, or order of the district; and
(7) all other relevant factors.

(c) The board shall issue a permit to an applicant if, on presentation of adequate proof, the board finds that:

(1) there is no other adequate and available substitute or supplemental source of alternative water supplies at prices competitive with the prices charged by suppliers of alternative water supplies in the district; and
(2) compliance with any provision of this chapter or any district rule will result in an arbitrary taking of property or in the practical closing and elimination of a lawful business, occupation, or activity without sufficient corresponding benefit or advantage to the public.

(d) The permit must state the terms prescribed by the board. The permit must include:

(1) the name and address of the person to whom the permit is issued;
(2) the location of the well;
(3) the date the permit expires;
(4) conditions and restrictions placed on groundwater withdrawal; and
(5) other terms necessary to control and prevent subsidence.

(e) The board may condition issuance of a permit under this section on the resolution of a prior or continuing violation of this chapter or any rule, permit, or order of the district. The board may require an applicant to pay a civil penalty or settlement amount, or take other necessary action, to resolve a prior or continuing violation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
   Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 17, eff. May 27, 2005.
   Acts 2013, 83rd Leg., R.S., Ch. 1187 (S.B. 1031), Sec. 9, eff. June 14, 2013.

Sec. 8801.159. TERM OF PERMIT. (a) A permit issued under this chapter may be for a term not to exceed five years as set by the board.

(b) A permit does not become a vested right of the permit holder. The board may revoke or suspend a permit or amend its terms after notice and hearing when reasonably necessary to accomplish the purpose of this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.160. RENEWAL OF PERMIT. The board may renew a permit for a well in the manner provided for obtaining the original permit.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 8801.161. PERMIT FEES. (a) When the board issues or renews a permit, the board shall collect a permit fee from the applicant. The fee shall be determined by a schedule based on the term of the permit and the maximum amount of groundwater that the

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board authorizes to be withdrawn from the well.

(a-1) In addition to a regular permit fee under Subsection (a), the board may establish a disincentive permit fee to serve as a regulatory tool by creating a disincentive to continued over-reliance on groundwater.

(b) The board shall determine the amount of the permit fees under Subsections (a) and (a-1) after a hearing.

(b-1) The fee under Subsection (a) may not exceed 110 percent of the highest rate that the City of Houston charges for water supplied to its customers in the district.

(c) The amount of a permit fee applicable to a well used for irrigating agricultural crops may not exceed 70 percent of the lowest amount determined under Subsection (b).

(d) The district may establish a fee for administrative acts of the district, including receiving applications for permits or permit amendments.

(e) The board shall use permit fees collected under this section to pay the cost of issuing permits and performing other regulatory functions, including making grants, loans, or contractual payments to achieve, facilitate, or expedite reductions in groundwater pumping or the development or distribution of alternative water supplies.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
  Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 18, eff. May 27, 2005.
  Acts 2013, 83rd Leg., R.S., Ch. 1187 (S.B. 1031), Sec. 10, eff. June 14, 2013.

Sec. 8801.162. ANNUAL REPORT. (a) Before January 31 each year, a well owner who is required to hold a permit under this chapter shall submit to the board a report stating:
  (1) the well owner's name;
  (2) the total amount of groundwater withdrawn from the well during the preceding calendar year;
  (3) the total amount of groundwater withdrawn from the well during each month of the preceding calendar year;
  (4) the purpose for which the groundwater was used; and
(5) any other information the board considers necessary.

(b) For the purposes of this section, a well owner whose well is aggregated with other wells permitted and managed by a regional water supplier is required to file the report with the regional water supplier instead of the district. Regional water suppliers are required to annually submit to the board the report required in Subsection (a) for all wells owned, managed, or permitted by that supplier no later than March 31.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 1187 (S.B. 1031), Sec. 11, eff. June 14, 2013.

Sec. 8801.163. CONVERSION TO ALTERNATIVE WATER SUPPLY. (a) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 1187, Sec. 12, eff. June 14, 2013.

(b) The board may issue an order requiring a person to completely or partially discontinue the use of groundwater only if the person is able to:

(1) acquire an alternative water supply needed to replace the water supply covered by the order; or

(2) participate in a groundwater reduction plan or other agreement approved by the board that complies with the district's regulatory requirements.

(c) A notice of public hearing must inform a person when the board will consider an order to convert to an alternative water supply.

(d) Repealed by Acts 2005, 79th Leg., Ch. 238, Sec. 51, eff. May 27, 2005.

(e) This section does not limit the board's authority to issue an order or adopt a rule requiring a person to reduce groundwater use by eliminating waste or implementing water conservation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 19, eff. May 27, 2005.
Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 20, eff. May 27, 2005.
SUBCHAPTER E. APPEAL AND ENFORCEMENT PROVISIONS

Sec. 8801.201. APPEAL OF SURFACE WATER RATES. (a) A person who is required to convert to surface water under this chapter and who purchases that water supply wholesale from a political subdivision as defined by Section 12.013(b), Water Code, may appeal to the Public Utility Commission of Texas the rates the political subdivision charges to the person. Chapter 12, Water Code, and rules adopted under that chapter apply to an appeal under this section. (b) The Public Utility Commission of Texas shall hear the appeal not later than the 180th day after the date the appeal is filed. (c) The Public Utility Commission of Texas shall issue a final decision on the appeal not later than the 60th day after the date the hearing ends.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by: 
Acts 2013, 83rd Leg., R.S., Ch. 170 (H.B. 1600), Sec. 2.93, eff. September 1, 2013. Acts 2013, 83rd Leg., R.S., Ch. 171 (S.B. 567), Sec. 93, eff. September 1, 2013.

Sec. 8801.202. APPEAL OF DISTRICT ACTIONS. (a) A person who is adversely affected by a rule, order, or other official action of the district under this chapter, including a person residing in or owning real property in the district whose residence or real property is subsiding, may appeal the action in a district court in any county in the district only after any administrative appeal to the district is finally resolved. An appeal under this section must be filed not later than the 45th day after the date any administrative appeal is finally resolved. (b) On a written request from a person residing in or owning real property in the district, the board shall make written findings
and conclusions regarding a rule, order, or other official action of the district. The board shall provide certified copies of those findings and conclusions to the person not later than the 35th day after the date the board receives the request.

(c) An appeal under this section is governed by the substantial evidence rule as provided by Subchapter G, Chapter 2001, Government Code. The burden of proof is on the petitioner, and the challenged rule, order, or other official action of the district is considered prima facie valid.

(d) The district court shall set for trial as expeditiously as possible an appeal brought under this section and may not postpone or continue the suit unless the reasons for postponement or continuance are imperative.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:
    Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 21, eff. May 27, 2005.

Sec. 8801.204. INJUNCTIVE RELIEF; CIVIL PENALTY. (a) If it appears that a person has violated or is violating or threatening to violate this chapter or a rule, permit, or other order of the district issued or adopted under this chapter, the district may institute an action in a district court in the district for:

(1) injunctive relief to restrain the person from continuing the violation or threat of violation;

(2) the assessment and recovery of a civil penalty of:
    (A) not less than $50 and not more than $5,000 for each violation and for each day of a continuing violation, if the person is not a political subdivision or an agency of a political subdivision; or

    (B) if the person is a political subdivision or an agency of a political subdivision, an amount equal to the greater of:
        (i) 120 percent of the sum of the fees assessed against the person and the amount the person would have paid to an alternative water supplier; or

        (ii) $5,000 for each violation and for each day of a continuing violation; or

    (3) both injunctive relief and civil penalties.
(b) On application for injunctive relief and a finding that a person is violating or threatening to violate this chapter or a rule, permit, or other order of the district issued or adopted under this chapter, the district court shall grant injunctive relief as the facts warrant.

(c) At the request of the board, or the general manager if authorized by the board, the attorney general shall institute and conduct an action against any person in the name of the district for injunctive relief or to recover a civil penalty, or both.

(d) The district is not required to post a bond or other security with the court.

(e) In a suit to recover a civil penalty or a suit for injunctive relief and a civil penalty, if the court finds that a person has violated or is violating a provision of this chapter or a rule, permit, or order of the district, the court shall assess a civil penalty in the amount provided by this section.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
Acts 2005, 79th Leg., Ch. 238 (S.B. 1537), Sec. 22, eff. May 27, 2005.
Acts 2009, 81st Leg., R.S., Ch. 1249 (S.B. 2543), Sec. 1, eff. June 19, 2009.

CHAPTER 8802. BARTON SPRINGS-EDWARDS AQUIFER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8802.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Barton Springs-Edwards Aquifer Conservation District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

Sec. 8802.002. LEGISLATIVE FINDINGS. The legislature finds that the creation of the district:
(1) is feasible and practicable;
(2) will be a benefit to land in the district; and
(3) will be a public benefit and utility.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

Sec. 8802.003. DISTRICT TERRITORY. The district is composed of the territory described by the Texas Water Commission's August 15, 1986, order, as that territory may have been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

Sec. 8802.0035. SHARED TERRITORY; JURISDICTION. (a) The territory of the district includes any territory that is:

(1) inside the boundaries of:
   (A) the Edwards Aquifer Authority; and
   (B) Hays County; and
(2) not within the boundaries of the Plum Creek Conservation District as those boundaries existed on February 1, 2015.

(b) The Edwards Aquifer Authority has jurisdiction over any well that is drilled to produce water from the Edwards Aquifer in the shared territory described by Subsection (a).

(c) The district has jurisdiction over groundwater and any well that is drilled to produce water from any aquifer other than the Edwards Aquifer in the shared territory described by Subsection (a).

(d) Except for the district and the Edwards Aquifer Authority, no district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, has authority in the shared territory described by Subsection (a) to regulate the spacing of water wells or the production from water wells.

(e) The district has jurisdiction over any well that is drilled to produce water from the Edwards Aquifer or any other aquifer in the territory described by Section 8802.003.

(f) The district's jurisdiction over any well that is drilled to produce water in the territory described in Section 8802.003, including a well that is used to recover water that has been injected
as part of an aquifer storage and recovery project, applies to all wells for which the district has jurisdiction in the shared territory described by this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 975 (H.B. 3405), Sec. 1, eff. June 19, 2015.

Sec. 8802.004. EFFECT ON CERTAIN LITIGATION. This chapter does not adversely affect the rights of any parties involved in litigation on or before February 1, 1987, with the Texas Water Commission or the petitioners for the creation of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8802.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors who serve staggered four-year terms.

(b) At least two directors must be elected by voters residing in the city of Austin.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

Sec. 8802.052. ELECTION DATE. An election shall be held to elect the appropriate number of directors on the spring uniform election date each even-numbered year.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

Sec. 8802.053. SINGLE-MEMBER DISTRICTS. (a) The district is divided into five numbered, single-member districts for electing directors.

(b) The board may revise the single-member districts as necessary or appropriate.

(c) As soon as practicable after the publication of each
federal decennial census, the board shall revise the single-member districts as the board considers appropriate to reflect population changes. When the board revises the single-member districts under this subsection, the board shall place two of the districts:

(1) entirely within the boundaries of the city of Austin, as those boundaries exist at that time; or

(2) within the boundaries of the city of Austin, as those boundaries exist at that time, but also including unincorporated areas or other municipalities that are surrounded wholly or partly by the boundaries of the city of Austin if the areas or municipalities are noncontiguous to the territory of any other single-member district.

(d) Changes in the boundaries of the city of Austin between revisions of the single-member districts under Subsection (c) do not affect the boundaries of the single-member districts.

(e) When the boundaries of the single-member districts are changed, a director in office on the effective date of the change, or elected or appointed before the effective date of the change to a term of office beginning on or after the effective date of the change, is entitled to serve the term or the remainder of the term in the single-member district to which elected or appointed even though the change in boundaries places the person's residence outside the single-member district for which the person was elected or appointed.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8802.101. GENERAL POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has the powers and duties provided by Chapter 36, Water Code, for groundwater conservation districts.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

Sec. 8802.102. RULES REGULATING ZONING AND SUBDIVISION OF LAND PROHIBITED. The district may not adopt rules regulating zoning or the subdivision of land.
Sec. 8802.103. IMPOSITION OF TAXES. (a) The district may impose an ad valorem tax as provided by Subchapter G, Chapter 36, Water Code, only if:
   (1) the user fee authorized by this subchapter is held unconstitutional by the Texas Supreme Court; and
   (2) a majority of the voters approve the tax at an election held in the district.
(b) The district may impose the ad valorem tax at a rate not to exceed three cents on each $100 of appraised value.

Sec. 8802.104. USER FEES. (a) The board by rule may impose reasonable fees on each well for which the district issues a permit and which is not exempt from regulation by the district.
(b) The board may assess the fees on an annual basis according to:
   (1) the size of column pipe used in the well;
   (2) the production capacity of the well; or
   (3) the actual, authorized, or anticipated pumpage of the well.
(c) The board may use fees as both a regulatory mechanism and a revenue-producing mechanism.
(d) The board shall adopt rules relating to:
   (1) the rates of fees;
   (2) the manner and form for filing reports of fees; and
   (3) the manner of collecting fees.
(e) The district may use money collected from fees to:
   (1) manage and operate the district; and
   (2) pay all or part of the principal of and interest on district bonds or notes.
Sec. 8802.1045. AMOUNT OF ANNUAL PRODUCTION FEE. (a) Except as provided by this section, the board may not charge an annual production fee of more than $1 per acre-foot for water permitted for agricultural use or 17 cents per thousand gallons for water permitted for any other purpose.

(b) For a permit first issued after September 1, 2007, or a permit first issued after September 9, 2004, and renewed after September 1, 2007, the board may charge, for the amount of water permitted under the permit as issued or renewed if the water is permitted for any purpose other than agricultural use, an annual production fee of not more than the greater of:
   (1) 38 cents per thousand gallons; or
   (2) the raw surface water cost of other wholesale suppliers serving customers in the district.

(c) For a permit that is materially amended after September 1, 2007, the board may charge, for only the additional amount of water authorized by the material amendment if the water is permitted for any purpose other than agricultural use, an annual production fee of not more than the greater of:
   (1) 38 cents per thousand gallons; or
   (2) the raw surface water cost of other wholesale suppliers serving customers in the district.

(d) For a permit first issued on or before September 9, 2004, that is renewed without material amendment after September 1, 2007, the board may not charge an annual production fee of more than 17 cents per thousand gallons for the amount of water permitted under the permit as renewed if the water is permitted for any purpose other than agricultural use.

(e) The board may adopt a differential rate structure for the nonagricultural production fees described by this section to promote alternatives to the exclusive use of groundwater resources.

(f) A material amendment under this section is an amendment to a permit that increases the amount of water permitted by more than 10 percent in one fiscal year or by more than 25 percent in any three-year period. The renewal on or after September 1, 2007, of a permit that was issued on or before September 9, 2004, is considered to be a material amendment for purposes of this section if the permit as renewed increases the amount of water permitted by an amount that exceeds the limits specified by this subsection.

(g) This subsection applies only to a well located in the
shared territory described by Section 8802.0035. Notwithstanding Subsection (b), the district may not charge an annual production fee of more than 17 cents per thousand gallons of water authorized to be produced under a permit from a well under this subsection, if the water is permitted for any use other than agricultural use.

Added by Acts 2007, 80th Leg., R.S., Ch. 1405 (S.B. 747), Sec. 2, eff. September 1, 2007.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 975 (H.B. 3405), Sec. 2, eff. June 19, 2015.

Sec. 8802.105. CERTAIN WATER USE FEES PERMITTED. (a) Each year the board may assess against the City of Austin a water use fee in an amount not to exceed 60 percent of the total funding the district expects to receive for the next fiscal year from water use fees assessed against Austin and other nonexempt users in that year, subject to the computation under Subsection (b).

(b) For purposes of computing water use fees under this section, the district shall estimate the amount of permitted pumpage for the next fiscal year by considering various factors including historical growth rates, future growth rates, the amount of permitted pumpage, historical permitted pumpage, and any pending applications for permitted pumpage. The district shall use the estimated amount of permitted pumpage and its water use fee rate to compute the water use fee to be assessed against the City of Austin for the district's next fiscal year. The district shall compute the water use fee assessed against the City of Austin at a rate of 17 cents per thousand gallons for the total amount of water permitted for any nonagricultural purpose, regardless of the rate actually imposed on or remitted by the permittee.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 1405 (S.B. 747), Sec. 3, eff. September 1, 2007.

Sec. 8802.106. PRODUCTION CAPACITY OF CERTAIN EXEMPT WELLS.
Notwithstanding the 25,000-gallon production capacity restriction provided by Section 36.117(b)(1), Water Code, a well in the district is exempt under Section 36.117, Water Code, only if the production capacity of the well is 10,000 gallons per day or less.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

Sec. 8802.107. ENFORCEMENT. (a) If it appears that a person has violated, is violating, or is threatening to violate Chapter 36, Water Code, or a district permit, rule, or order, the district may file a civil suit in a district court of the county in which the violation occurs to obtain:

(1) injunctive relief to restrain the person from continuing the violation;

(2) a civil penalty of not less than $50 or more than $1,000 for each violation and for each day of violation; or

(3) both injunctive relief and a civil penalty.

(b) On application for injunctive relief under Subsection (a)(1) and a finding that a person is violating or threatening to violate this chapter or a district permit, rule, or order, the district court shall grant injunctive relief as the facts may warrant.

(c) Any legal action initiated under this section to obtain penalties must be authorized by a resolution of the board or by the district's general manager, if authorized by the board.

(d) In a civil suit filed under this section, the district:

(1) is not required to post bond or other security; and

(2) may recover reasonable attorney's fees and expert witness's fees.

(e) The remedies provided by this section are in addition to any remedies provided by other law.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

Sec. 8802.108. BORROWING MONEY. (a) The district may borrow money as provided by Sections 49.152-49.154, Water Code.

(b) The district may not borrow money for a period of more than
one year.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

Sec. 8802.109.  RESTRICTIONS ON PRODUCTION DURING DROUGHT.  (a)  During a period declared by the district to be a drought and only as specified in the district's approved management plan, the district may restrict or prohibit groundwater production as provided by this section.

(b)  The district may restrict groundwater production on an equivalent, pro-rata basis for permits first issued on or before September 9, 2004, including permits renewed after September 1, 2007.

(c)  The district, to protect the conditions of the aquifer, may restrict or prohibit groundwater production:

(1)  for permits first issued after September 9, 2004; and

(2)  for permits first issued on or before September 9, 2004, and amended after September 9, 2004, for any additional amount of water authorized by the amendment.

Added by Acts 2007, 80th Leg., R.S., Ch. 1405 (S.B. 747), Sec. 4, eff. September 1, 2007.

Sec. 8802.110.  RESTRICTIONS ON PRODUCTION DURING EXTREME DROUGHT.  (a)  During a period declared by the district to be an extreme drought, to maintain groundwater production necessary to sustain human consumption and protect the public's health, safety, and welfare, the district, as provided by this section, may impose greater restrictions on groundwater production for industrial, commercial, or nonagricultural irrigation permits than the district imposes on permits for other uses.

(b)  For an industrial, commercial, or nonagricultural irrigation permit first issued on or before September 9, 2004, the district may restrict withdrawals by an amount not to exceed 40 percent of the amount permitted on or before September 9, 2004, retaining at least 60 percent of the total authorized pumpage, if:

(1)  an alternative water supply for at least 10 percent of the amount permitted is available and in place during the extreme drought; and
(2) any restriction imposed by the district under Sections 8802.109(b) and (c) remains in effect.

(c) For industrial, commercial, and nonagricultural irrigation permits first issued on or before September 9, 2004, and amended after September 9, 2004, the district may impose greater restrictions, including complete curtailment, for the additional amount of water authorized by the amendment than the district imposes on similarly situated permittees for other uses.

Added by Acts 2007, 80th Leg., R.S., Ch. 1405 (S.B. 747), Sec. 4, eff. September 1, 2007.

SUBCHAPTER D. INCLUSION AND EXCLUSION OF LAND IN DISTRICT

Sec. 8802.151. MUNICIPAL APPROVAL NOT REQUIRED. Approval of inclusion of land in the district that is located in the corporate limits or extraterritorial jurisdiction of a municipality does not require the municipality's approval under Subchapter B, Chapter 42, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

Sec. 8802.152. EXCLUSION OF COUNTY AREA. (a) The residents of any county area of the district, on petition of at least 15 percent of the registered voters in that county area, may request that the board, in conjunction with the next regularly scheduled directors' election, hold a referendum to determine whether to exclude that county area from the district.

(b) The petition must be submitted to the board not later than the 45th day before the date of the election.

(c) The board shall call and add a referendum under this section to the ballot of the May directors' election in the county area.

(d) Exclusion of a county area from the district requires approval by a majority of the voters voting on the proposition: "The _____________ county area of the Barton Springs-Edwards Aquifer Conservation District shall be excluded from the Barton Springs-Edwards Aquifer Conservation District."

(e) The exclusion of any county area from the district is
effective on June 1 following approval of the referendum. On and after that date:

(1) the boundaries of the district shall be redefined to exclude the county area;
(2) the imposition and collection of district taxes or user fees in the county area shall cease;
(3) the offices held by any directors elected from the county area shall terminate; and
(4) any other matters provided by law or by agreement with any person affecting the authority and operations of the district shall be automatically redesignated and redefined to be consistent with the exclusion of the county area.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

SUBCHAPTER E. CONVERSION AND DISSOLUTION OF DISTRICT

Sec. 8802.201. CONVERSION OF DISTRICT PROHIBITED. The district may not be converted to any other type of conservation and reclamation district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.

Sec. 8802.202. DISSOLUTION OF DISTRICT; ELECTION. (a) The board shall call a dissolution election if:

(1) the board receives a petition signed by a number of registered voters in the district equal to at least 30 percent of the voters in the district's most recent election; and
(2) the district has no outstanding bonds or other long-term indebtedness.

(b) The board shall dissolve the district if at least two-thirds of the voters voting in the election vote in favor of dissolving the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.07, eff. April 1, 2007.
For contingent expiration of this chapter, see Section 8803.004.

CHAPTER 8803.  STARR COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8803.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Starr County Groundwater Conservation District.
(3) "Municipally owned utility" has the meaning assigned by Section 13.002, Water Code.
(4) "Regional water authority" means the Rio Grande Regional Water Authority.
(5) "Water supply or sewer service corporation" has the meaning assigned by Section 13.002, Water Code.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

Sec. 8803.002.  NATURE OF DISTRICT.  The district is:
(1) a conservation and reclamation district in Starr County created under Section 59, Article XVI, Texas Constitution; and
(2) a groundwater conservation district.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

Sec. 8803.003.  DISTRICT BOUNDARIES.  The boundaries of the district are coextensive with the boundaries of Starr County.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

Sec. 8803.004.  CONFIRMATION ELECTION REQUIRED.  If the creation of the district is not confirmed at a confirmation election held before September 1, 2009:
(1) the district is dissolved on September 1, 2009, except that:
(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts
shall be transferred to Starr County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Added by Acts 2007, 80th Leg., R.S., Ch. 1395 (H.B. 2072), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8803.051. BOARD. The board consists of five directors.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

Sec. 8803.052. TERMS. Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

Sec. 8803.053. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) The directors of the district shall be elected according to the commissioners precinct method as provided by this section.

(b) One director shall be elected by the voters of the entire district, and one director shall be elected from each county commissioners precinct by the voters of that precinct.

(c) Except as provided by Subsection (e), to be eligible to be a candidate for or to serve as director at large, a person must be a registered voter in the district. To be eligible to be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

(d) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or

(2) that the person seeks to represent the district at large.
(e) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

Sec. 8803.054. ELECTION DATE FOR DIRECTORS. The district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in May of each even-numbered year.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8803.101. GENERAL POWERS AND DUTIES. The district has all the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

Sec. 8803.102. COURT-APPOINTED RECEIVER. The district may serve as the court-appointed receiver in a matter determined by a court concerning the disposition of assets of any other district authorized by Section 52(b)(1) or (2), Article III, or Section 59, Article XVI, Texas Constitution, a municipally owned utility, or a water supply or sewer service corporation.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June
Sec. 8803.103. POWER TO CONTRACT WITH MUNICIPALITIES. The district may enter into a contract with a municipality to assume the functions of the municipality's municipally owned utility. A contract under this section may include provisions for the district's:

1. assumption of the debts, liabilities, and obligations of the municipally owned utility;
2. ownership or use of the assets and facilities of the municipally owned utility; and
3. performance of the functions and services previously provided by the municipally owned utility.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

Sec. 8803.104. RELATION TO OTHER WATER-RELATED ENTITIES. (a) To the extent that a rule of the district conflicts with a rule of the regional water authority, the rule of the authority controls.

(b) To the extent that a rule of the district conflicts with an action of a municipally owned utility or water supply or sewer service corporation whose certificated area is located wholly or partly in the district's territory, the action of the utility or corporation controls.

(c) Notwithstanding Subsections (a) and (b), to the extent that a rule of the district concerning groundwater conflicts with a rule of the regional water authority or with an action of a municipally owned utility or water supply or sewer service corporation whose certificated area is located wholly or partly in the district's territory, the rule of the district controls.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

SUBCHAPTER D. MERGER WITH WATER SUPPLY OR SEWER SERVICE CORPORATION

Sec. 8803.151. DEFINITIONS. In this subchapter:

1. "Commission" means the Public Utility Commission of
Sec. 8803.152. AUTHORITY FOR AGREEMENT FOR MERGER; PROVISIONS. (a) Subject to Sections 8803.153, 8803.154, and 8803.155, the district may enter into a merger agreement with a water supply or sewer service corporation.

(b) The merger agreement must include provisions for:

(1) the district's assumption of the debts, liabilities, and obligations of the water supply or sewer service corporation;

(2) the district's assumption of the ownership of the corporation's assets and facilities;

(3) the assignment to the district of the certificate of public convenience and necessity obtained by the corporation under Subchapter G, Chapter 13, Water Code, and any right obtained under the certificate;

(4) the district's performance of the functions and services previously provided by the corporation; and

(5) the dissolution of the corporation.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.
corporation.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

Sec. 8803.154. COMMISSION DETERMINATION OF DISTRICT CAPABILITY FOR SERVICE. Before an election to confirm a proposed merger agreement described by Section 8803.152 may be held, the commission must determine that the district is capable of rendering adequate and continuous service as required by Section 13.251, Water Code.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

Sec. 8803.155. ELECTION TO CONFIRM MERGER AGREEMENT. (a) Before a proposed merger agreement described by Section 8803.152 may take effect, the board shall hold an election to confirm the agreement.

(b) The election must be held on the first authorized uniform election date after the board, the directors, and, if required, the members of the water supply or sewer service corporation approve the proposed merger agreement that allows sufficient time for the board to comply with all applicable provisions of the Election Code.

Added by Acts 2005, 79th Leg., Ch. 451 (S.B. 1848), Sec. 4, eff. June 17, 2005.

Sec. 8803.156. BALLOTS FOR ELECTION. The ballot for an election under Section 8803.155 shall read as follows:

"By voting YES on this ballot, you are voting in favor of the proposed merger agreement between the (name of water supply or sewer service corporation) and the Starr County Groundwater Conservation District under which the corporation's debts, liabilities, obligations, assets, and facilities are to be transferred to the district, the district is to perform the functions and services previously provided by the corporation, and the corporation is to be dissolved. By voting NO on this ballot, you are voting against the proposed merger agreement."
Sec. 8803.157. ELECTION RESULTS FOR MERGER WITH WATER SUPPLY OR SEWER SERVICE CORPORATION. (a) If a majority of the voters voting in an election under Section 8803.155 both in the certificated area of the water supply or sewer service corporation and in the territory of the district outside the certificated area vote in favor of the ballot proposition, the proposed merger agreement takes effect.

(b) If a majority of the voters voting in an election under Section 8803.155 either in the certificated area of the water supply or sewer service corporation or in the territory of the district outside the certificated area do not vote in favor of the ballot proposition:

(1) the proposed merger agreement does not take effect; and
(2) the board may not hold a subsequent election to confirm a proposed merger agreement between the same water supply or sewer service corporation and the district before the first anniversary of the election date.

Sec. 8803.158. FILING REQUIREMENT. If a proposed merger agreement is confirmed at an election under Section 8803.155, not later than the 15th day after the date of the election the board shall file with the commission and in the deed records of Starr County a copy of:

(1) the merger agreement;
(2) the resolutions or other actions taken by the board, the directors, and, if required, the members of the water supply or sewer service corporation approving the merger agreement under Section 8803.153; and
(3) the election results.
CHAPTER 8804.  BEE GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8804.001.  DEFINITIONS.  In this chapter:
(1)  "Board" means the district's board of directors.
(2)  "Director" means a board member.
(3)  "District" means the Bee Groundwater Conservation District.

Added by Acts 2007, 80th Leg., R.S., Ch. 183 (S.B. 404), Sec. 1, eff. May 23, 2007.

Sec. 8804.002.  NATURE OF DISTRICT.  The district is a groundwater conservation district in Bee County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 183 (S.B. 404), Sec. 1, eff. May 23, 2007.

Sec. 8804.003.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The district is created to serve a public use and benefit.
(b)  All land and other property in the district will benefit from the works and projects accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.
(c)  The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 183 (S.B. 404), Sec. 1, eff. May 23, 2007.

Sec. 8804.004.  DISTRICT TERRITORY.  The boundaries of the district are coextensive with the boundaries of Bee County, except for:
(1)  the area in the municipal boundaries of the city of Beeville as the boundaries existed on January 1, 1997;
(2)  the area in the boundaries of the Pettus Municipal Utility District as the boundaries existed on January 1, 1997; and
(3)  the Tynan Water Corporation's service area on January 1, 1997.
Sec. 8804.005. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve the legislative intent and purposes of Chapter 36, Water Code. A power granted by Chapter 36, Water Code, or this chapter shall be broadly interpreted to achieve that intent and those purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 183 (S.B. 404), Sec. 1, eff. May 23, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8804.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven directors.

(b) Directors serve staggered four-year terms, with three or four directors' terms expiring June 1 of each odd-numbered year.

(c) A director may serve consecutive terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 183 (S.B. 404), Sec. 1, eff. May 23, 2007.

Sec. 8804.052. ELIGIBILITY TO SERVE. (a) A person must own land in the single-member district from which the person is elected to serve as a director.

(b) A person may not serve as a director if the person holds another public office.

Added by Acts 2007, 80th Leg., R.S., Ch. 183 (S.B. 404), Sec. 1, eff. May 23, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 864 (S.B. 2495), Sec. 1, eff. June 19, 2009.

Sec. 8804.053. METHOD OF ELECTING DIRECTORS: SINGLE-MEMBER DISTRICTS. (a) The board shall draw seven numbered single-member districts for electing directors. The board may revise the districts
as necessary or appropriate.

(b) The board shall provide for one director to be elected from each single-member district. A director elected from a single-member district represents the residents of that single-member district.

Added by Acts 2007, 80th Leg., R.S., Ch. 183 (S.B. 404), Sec. 1, eff. May 23, 2007.

Sec. 8804.054. ELECTION DATE. The district shall hold an election in the district to elect directors on the uniform election date in May of each odd-numbered year.

Added by Acts 2007, 80th Leg., R.S., Ch. 183 (S.B. 404), Sec. 1, eff. May 23, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8804.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by general law applicable to groundwater conservation districts, including Chapter 36, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 183 (S.B. 404), Sec. 1, eff. May 23, 2007.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8804.151. AD VALOREM TAXES. The district may not impose an ad valorem tax at a rate that exceeds five cents on the $100 valuation of taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 183 (S.B. 404), Sec. 1, eff. May 23, 2007.

**CHAPTER 8805. LIPAN-KICKAPOO WATER CONSERVATION DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8805.001. DEFINITIONS. In this chapter:

1. "Board" means the district's board of directors.
2. "Director" means a board member.
(3) "District" means the Lipan-Kickapoo Water Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution, to provide for the conservation, preservation, protection, recharge, and prevention of waste and pollution of the district's groundwater and surface water, consistent with the objectives of Section 59, Article XVI, Texas Constitution, and Chapter 36, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.003. LEGISLATIVE FINDINGS. The legislature finds that:
(1) the creation of the district is feasible and practicable;
(2) the district will benefit the land in the district;
(3) there is a public necessity for the district; and
(4) the district will provide a public use and benefit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 4, Chapter 439, Acts of the 70th Legislature, Regular Session, 1987, as that territory may have been modified under:
(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8805.005. OWNERSHIP OF GROUNDWATER AND SURFACE WATER RIGHTS NOT AFFECTED BY CHAPTER. The ownership and rights of the owner of land, the owner's lessees, and assigns in groundwater and any surface water rights are recognized and this chapter does not deprive or divest the owner, the owner's lessees, or assigns of those ownership rights.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8805.051. COMPOSITION OF BOARD; TERMS. (a) The board consists of:

(1) an equal number of directors from each county in the district, elected by a majority vote of the voters residing in any part of the county that is included in the district; and

(2) one director elected from the district at large.

(b) Directors serve staggered four-year terms.

(c) A director takes office at the first regular meeting of the board following the director's election to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.052. ELECTION OF DIRECTORS. (a) Every second year, the board shall hold an election on the uniform election date in May provided by Section 41.001, Election Code, to elect the appropriate number of directors.

(b) Three directors are elected at one election and four at the next election in continuing sequence unless the number of directors changes under Section 8805.055.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.053. QUALIFICATIONS FOR ELECTION. (a) To be qualified for election as a director, a person must be:

(1) a resident of the district or proposed district; and
(2) at least 18 years of age.

(b) In addition to the requirements of Subsection (a), a director from a county area must be a resident of that county.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.054. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a replacement who meets the qualifications of Section 8805.053.

(b) The appointed replacement serves until the next directors' election.

(c) If the position is not regularly scheduled to be filled at the next election, the person elected to fill the position serves for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.055. COMPOSITION OF BOARD AND ELECTION OF DIRECTORS FOLLOWING ANNEXATION. (a) When the district annexes territory, the board shall change the number of directors, if necessary, so that:

(1) an equal number of directors is elected by district voters of each county; and

(2) one director is elected from the district at large.

(b) If the board changes the number of directors under Subsection (a), the board shall provide that, as nearly as possible, half of the directors are elected at each subsequent election in continuing sequence.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.056. VOTE REQUIRED FOR OFFICIAL BOARD ACTION. An official action of the board is not valid without the affirmative vote of a majority of the directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8805.101. GENERAL POWERS AND DUTIES. (a) Except to the extent of any conflict with this chapter or as specifically limited by this chapter, the district:
(1) is governed by and subject to Chapter 36 and Subchapters H and I, Chapter 49, Water Code; and
(2) may exercise the powers provided by the chapters described by Subdivision (1), including the power to issue bonds, impose taxes, and exercise eminent domain authority.
(b) The district shall exercise the duties provided by the chapters specified by Subsection (a)(1).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.102. SEAL. The board may adopt a seal for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.103. CONTROL, STORAGE, AND PRESERVATION OF STORM AND FLOOD WATER. The district may control, store, and preserve storm water and floodwater in the district and water of rivers and streams in the district for:
(1) irrigation of arid land;
(2) prevention of floods and flood damage in the district; and
(3) domestic, agricultural, and industrial use.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.104. RECLAMATION. The district may:
(1) reclaim land in the district; and
(2) construct works, facilities, and improvements necessary to accomplish that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.105. SOIL CONSERVATION AND IMPROVEMENT. The district may construct and maintain terraces or other structures on land in the district and may engage in or promote land treatment measures for soil conservation and improvement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.106. ACQUISITION OF PROPERTY. The district may acquire land or other property necessary to carry out this chapter by:

(1) gift;
(2) grant;
(3) devise;
(4) lease;
(5) purchase; or
(6) condemnation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.107. SALE AND DISPOSAL OF PROPERTY. Subject to this chapter and Chapter 36, Water Code, the district may sell or otherwise dispose of land and other property of the district that the board determines is not necessary to carry out the purposes or powers of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.108. BORROWING MONEY. The district may borrow money
for any purpose authorized by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8805.109. APPEARANCE BEFORE RAILROAD COMMISSION. The district, through the directors or the district's general manager, may appear before the Railroad Commission of Texas and present evidence and information relating to any pending permit application for an injection well to be located in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

CHAPTER 8806. COKE COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8806.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Coke County Underground Water Conservation District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution, to provide for the conservation, preservation, protection, recharge, and prevention of waste of the groundwater reservoirs located under district land, consistent with the objectives of Section 59, Article XVI, Texas Constitution, and Chapters 36 and 51, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
district is created to serve a public use and benefit.

(b) Land included in the boundaries of the district will benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Coke County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.005. ADMINISTRATIVE PROCEDURES. The administrative and procedural provisions of Chapters 36 and 51, Water Code, apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.006. CONFLICT OF LAW. If there is a conflict between Chapters 36 and 51, Water Code, Chapter 36 controls.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8806.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.052. METHOD OF ELECTING DIRECTORS. One director is elected from each county commissioners precinct in Coke County and
one director is elected at large.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.053. ELECTION DATE. The district shall hold an election in the district to elect directors on the uniform election date in May of each odd-numbered year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.054. QUALIFICATIONS FOR ELECTION. (a) To be qualified for election as a director, a person must be:

(1) a resident of the district; and

(2) at least 21 years of age.

(b) To be qualified for election as a director from a precinct, a person must reside in that precinct.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8806.101. GENERAL RIGHTS, POWERS, DUTIES, PRIVILEGES, AND FUNCTIONS. The district has:

(1) the powers essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and

(2) the rights, powers, duties, privileges, and functions provided by this chapter, Chapters 36 and 51, Water Code, and other laws of this state relating to groundwater conservation districts.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.102. WELL PERMITS. (a) The board may:

(1) require a permit for drilling, equipping, or completing a well in the groundwater reservoir; and
(2) issue a permit subject to terms and provisions relating to drilling, equipping, or completing a well that are necessary to prevent waste or conserve, preserve, and protect groundwater.

(b) The board may not deny an owner of land, or the owner's heirs, assigns, and lessees, a permit to drill a well on that land or the right to produce groundwater from that well subject to rules adopted under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.103. WELL SPACING AND PRODUCTION. The board may:
(1) provide for the spacing of wells producing from groundwater reservoirs; and
(2) regulate the production from those wells to minimize as far as practicable the drawdown of the water table or the reduction of the artesian pressure.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.104. RECORDS, REPORTS, AND LOGS. (a) The board may require that records be kept and reports be made of:
(1) the drilling, equipping, and completing of a well into a groundwater reservoir; and
(2) the taking and use of groundwater from that reservoir.
(b) The board may require accurate driller's logs to be kept of a well described by Subsection (a)(1).
(c) The board may require that a copy of a driller's log and of any electric log that may be made of a well be filed with the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.105. ACQUISITION OF LAND. The district may acquire land to erect a dam or drain a lake, depression, or draw.
Sec. 8806.106. RECHARGE OF RESERVOIR. The district may construct dams, drain lakes, depressions, draws, or creeks, and install pumps and other equipment necessary to recharge a groundwater reservoir.

Sec. 8806.107. SURVEYS. The district may have a licensed engineer survey the groundwater of a groundwater reservoir and the facilities for the development, production, and use of that groundwater and determine the quantity of the groundwater available for production and use and the improvements, developments, and recharges needed for the groundwater reservoir.

Sec. 8806.108. DISTRICT PLANS. (a) The district may develop comprehensive plans for the most efficient use of the groundwater of a groundwater reservoir and for the control and prevention of waste of that groundwater.

(b) The plans must specify in the amount of detail that may be practicable any act, procedure, performance, or avoidance necessary to effect those plans.

Sec. 8806.109. RESEARCH PROJECTS. The district may carry out research projects, develop information, and determine limitations, if any, that should be made on the withdrawal of groundwater from a groundwater reservoir.
Sec. 8806.110. COLLECTION AND PRESERVATION OF INFORMATION. The district may collect and preserve information regarding the use of groundwater and the practicability of recharge of a groundwater reservoir.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.111. DISSEMINATION OF PLANS AND INFORMATION. The board may:
(1) publish plans and information;
(2) notify the users of groundwater in the district of the plans and information; and
(3) encourage the adoption and execution of the plans.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.112. CONTRACT FOR AND SALE AND DISTRIBUTION OF WATER. The district may contract for, sell, and distribute water from a water import authority or other agency.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

Sec. 8806.113. ANNEXATION. Territory may be added to the district under Subchapter J, Chapter 49, Water Code. The board shall determine to which precinct the annexed land is added for the purpose of electing directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.
Sec. 8806.114. DISSOLUTION. Chapter 36, Water Code, applies to the dissolution of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.11, eff. April 1, 2009.

For contingent expiration of this chapter, see Sec. 8807.003.

CHAPTER 8807. LOWER TRINITY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8807.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Lower Trinity Groundwater Conservation District.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Liberty, Polk, and San Jacinto Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8807.023 before September 1, 2007:
(1) the district is dissolved on September 1, 2007, except that:
(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to each county in proportion to the contribution of money made; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are
transferred; and

(2) this chapter expires on September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.004. INITIAL DISTRICT TERRITORY. (a) Except as provided by Subsection (b), the initial boundaries of the district are coextensive with the boundaries of Liberty, Polk, and San Jacinto Counties.

(b) If the creation of the district is not confirmed by the voters of a county at an election held under Section 8807.023, that county is not included in the district.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.005. ADDITION OF ADJACENT COUNTY TO DISTRICT. (a) A county adjoining the district may petition to join the district by resolution of the county commissioners court.

(b) If, after a hearing on the resolution, the board finds that the addition of the county would benefit the district and the county to be added, the board by resolution may approve the addition of the county to the district.

(c) The addition of a county under this section is not final until approved by the voters in the county to be added at an election held for that purpose.

(d) The ballots for the election shall be printed to permit voting for or against the proposition: "The addition of (county's name) to the Lower Trinity Groundwater Conservation District."

(e) If a majority of the votes are cast in favor of the addition of the county to the district, the county is added to the district, and the district boundaries are adjusted accordingly. If less than a majority of the votes are cast in favor of the addition of the county to the district, the county is not added to the district.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.
Sec. 8807.006. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8807.051. GOVERNING BODY. The district is governed by a board of directors, which initially shall consist of not fewer than three and not more than seven directors, appointed as provided by Section 8807.052.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.052. APPOINTMENT OF DIRECTORS. (a) If the voters in Liberty, Polk, and San Jacinto Counties confirm the creation of the district, seven directors shall be appointed as follows:

(1) the Liberty County Commissioners Court shall appoint one director to represent the rural water utilities or the forestry or agricultural groundwater supply interests of the county;

(2) the Polk County Commissioners Court shall appoint one director to represent the rural water utilities or the large industrial groundwater supply interests of the county;

(3) the San Jacinto County Commissioners Court shall appoint one director to represent the rural water utilities or the forestry or agricultural groundwater supply interests of the county;

(4) the incorporated municipalities of Liberty County shall jointly appoint one director;

(5) the incorporated municipalities of Polk County shall jointly appoint one director;

(6) the incorporated municipalities of San Jacinto County shall jointly appoint one director; and

(7) the commissioners courts of Liberty, Polk, and San Jacinto Counties shall jointly appoint one director to represent the forestry, agricultural, or landowner groundwater interests of all...
three counties.

(b) If the voters in two counties confirm the creation of the district, five directors shall be appointed as follows:

1. The commissioners court in each of those counties shall appoint a director as provided by Subsection (a);
2. The incorporated municipalities in each of those counties shall appoint a director as provided by Subsection (a); and
3. The commissioners courts of the two counties shall jointly appoint one director to represent the forestry, agricultural, or landowner groundwater interests of both counties.

(c) If the voters in only one county confirm the creation of the district, three directors shall be appointed as follows:

1. The commissioners court of the county shall appoint a director as provided by Subsection (a);
2. The incorporated municipalities in the county shall appoint a director as provided by Subsection (a); and
3. The commissioners court of the county shall appoint an additional director to represent the forestry, agricultural, or landowner groundwater interests of the county.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.053. CHANGE IN COMPOSITION; ADDITIONAL COUNTY. If a county is added to the district under Section 8807.005, the board may change the number of directors so that an equal number of directors is appointed from each county and one director is appointed jointly by the counties in the district.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.054. TERMS. Directors serve staggered three-year terms.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.
Sec. 8807.055. VACANCY; RULES. (a) If there is a vacancy on the board, the governing body of each entity that appointed the director who vacated shall appoint a director to serve the remainder of the term.

(b) The board shall adopt rules to establish when a vacancy has occurred.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.056. PRESIDING OFFICER. The jointly appointed director under Section 8807.052(a)(7) or (b)(3) or the additional director appointed under Section 8807.052(c)(3) shall serve as the presiding officer of the board.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.057. QUALIFICATIONS; GROUNDWATER PRODUCER. A person is not disqualified from serving as a director if that person is an employee, manager, director, or officer of a groundwater producer that is or may be regulated by the district.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.058. COMPENSATION; REIMBURSEMENT. (a) A director is not entitled to receive compensation for serving as a director.

(b) A director may receive reimbursement for actual, reasonable expenses incurred in the discharge of official duties.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.059. VOTING REQUIREMENT. A majority vote of a quorum is required for board action.
Sec. 8807.101. PRODUCTION FEES. (a) The district may assess reasonable fees on each well in the district. The fee:
(1) must be based on the amount of water withdrawn from the well; and
(2) may not exceed 5 cents per 1,000 gallons of groundwater withdrawn for any purpose.
(b) This section does not apply to:
(1) a well used exclusively for agriculture, as defined by Section 36.001, Water Code; or
(2) an exempt well under Section 8807.102.

Sec. 8807.102. WELLS EXEMPT FROM REGULATION. (a) The district may not require a permit for a well that is:
(1) used solely for domestic and livestock purposes; and
(2) incapable of producing more than 25,000 gallons of groundwater a day.
(b) The district may not assess fees on a well that meets the criteria established under Section 36.117(b), Water Code.

Sec. 8807.103. TAXES PROHIBITED. The district may not impose a tax.

Sec. 8807.104. LIMIT ON ISSUANCE OF BONDS. The district may not issue any bonds or other obligations that pledge revenue derived
from district taxation.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.105. EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

Sec. 8807.106. LIMIT ON PURCHASE OF GROUNDWATER RIGHTS FOR CONSERVATION PURPOSES. The district may purchase groundwater rights only if the purchased rights are acquired for conservation purposes and are held in trust permanently.

Added by Acts 2005, 79th Leg., Ch. 863 (S.B. 1017), Sec. 1, eff. June 17, 2005.

For contingent expiration of this chapter, see Sec. 8808.003.

CHAPTER 8808. DUVAL COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8808.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Duval County Groundwater Conservation District.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Duval County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June
Sec. 8808.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held before September 1, 2009:

(1) the district is dissolved on September 1, 2009, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Duval County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires on September 1, 2012.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 701 (H.B. 2070), Sec. 1, eff. June 15, 2007.

Sec. 8808.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Duval County, Texas.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8808.051. DIRECTORS; TERMS. (a) The district is governed
by a board of five directors.

(b) Directors serve staggered four-year terms, with two or three directors' terms expiring June 1 of each even-numbered year.

(c) A director may serve consecutive terms.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) The directors of the district shall be elected according to the commissioners precinct method as provided by this section.

(b) One director shall be elected by the voters of the entire district, and one director shall be elected from each county commissioners precinct by the voters of that precinct.

(c) Except as provided by Subsection (e), to be eligible to be a candidate for or to serve as director at large, a person must be a registered voter in the district. To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

(d) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or

(2) that the person seeks to represent the district at large.

(e) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform
election date prescribed by Section 41.001, Election Code, in May of each even-numbered year.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.055. DISTRICT NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to the county.

Added by Acts 2013, 83rd Leg., R.S., Ch. 174 (H.B. 839), Sec. 1, eff. May 25, 2013.

Sec. 8808.056. ADVISORY COMMITTEES. The board by resolution may appoint one or more advisory committees to assist the board with any matter affecting the district. A person who serves on an advisory committee is not entitled to compensation for that service.

Added by Acts 2013, 83rd Leg., R.S., Ch. 174 (H.B. 839), Sec. 1, eff. May 25, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8808.101. COURT-APPOINTED RECEIVER. The district may serve as the court-appointed receiver in a matter determined by a court concerning the disposition of assets of any other district authorized by Section 52(b)(1) or (2), Article III, or Section 59, Article XVI, Texas Constitution, including a municipal utility district or a water control and improvement district in Duval County.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.102. POWER TO CONTRACT WITH MUNICIPAL UTILITY DISTRICTS. The district may enter into a contract with a municipal utility district in Duval County to assume the functions of the municipal utility district. A contract under this section may include provisions for the district's:
(1) assumption of the debts, liabilities, and obligations of the municipal utility district;

(2) ownership or use of the assets and facilities of the municipal utility district; and

(3) performance of the functions and services previously provided by the municipal utility district.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.103. RELATION TO OTHER WATER-RELATED ENTITIES. (a) To the extent that a rule of the district conflicts with a rule of a water control and improvement district, the rule of the water control and improvement district controls.

(b) To the extent that a rule of the district conflicts with a rule of a municipal utility district, the rule of the municipal utility district controls.

(c) Notwithstanding Subsections (a) and (b), to the extent that a rule of the district concerning groundwater conflicts with a rule of a water control and improvement district or a municipal utility district whose territory is located wholly or partly in the district's territory, the rule of the district controls.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. MERGER WITH WATER CONTROL AND IMPROVEMENT DISTRICT

Sec. 8808.151. DEFINITIONS. In this subchapter:

(1) "Commission" means the Public Utility Commission of Texas.

(2) "Directors" means the board of directors of a water control and improvement district.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 170 (H.B. 1600), Sec. 2.95, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 171 (S.B. 567), Sec. 95, eff.
Sec. 8808.152. AUTHORITY FOR AGREEMENT FOR MERGER; PROVISIONS.
(a) Subject to Sections 8808.153, 8808.154, and 8808.155, the district may enter into a merger agreement with a water control and improvement district in Duval County.

(b) The merger agreement must include provisions for:
(1) the district's assumption of the debts, liabilities, and obligations of the water control and improvement district;
(2) the district's assumption of the ownership of the assets and facilities of the water control and improvement district;
(3) the assignment to the district of the certificate of public convenience and necessity obtained by the water control and improvement district under Subchapter G, Chapter 13, Water Code, and any right obtained under the certificate;
(4) the district's performance of the functions and services previously provided by the water control and improvement district; and
(5) the dissolution of the water control and improvement district.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.153. BOARD AND DIRECTORS APPROVAL OF MERGER AGREEMENT. Before an election to confirm a proposed merger agreement described by Section 8808.152 may be held, the board and the directors must each approve the proposed merger agreement in accordance with the laws, rules, and procedures applicable to the district and the water control and improvement district.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.154. COMMISSION DETERMINATION OF DISTRICT CAPABILITY FOR SERVICE. Before an election to confirm a proposed merger agreement described by Section 8808.152 may be held, the commission must determine that the district is capable of rendering adequate and
Sec. 8808.155.  ELECTION TO CONFIRM MERGER AGREEMENT.  (a) Before a proposed merger agreement described by Section 8808.152 may take effect, the board shall hold an election to confirm the agreement.

(b) The election must be held on the first authorized uniform election date after the board and the directors approve the proposed merger agreement that allows sufficient time for the board to comply with all applicable provisions of the Election Code.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.156.  BALLOTS FOR ELECTION.  The ballot for an election under Section 8808.155 shall read as follows:

"By voting YES on this ballot, you are voting in favor of the proposed merger agreement between the (name of water control and improvement district) and the Duval County Groundwater Conservation District under which the debts, liabilities, obligations, assets, and facilities of (name of water control and improvement district) are to be transferred to the district, the district is to perform the functions and services previously provided by the (name of water control and improvement district), and the (name of water control and improvement district) is to be dissolved. By voting NO on this ballot, you are voting against the proposed merger agreement."

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.157.  ELECTION RESULTS FOR MERGER WITH WATER CONTROL AND IMPROVEMENT DISTRICT.  (a) If a majority of the voters voting in an election under Section 8808.155 both in the area of the water control and improvement district and in the territory of the district outside that area vote in favor of the ballot proposition, the
proposed merger agreement takes effect.

(b) If a majority of the voters voting in an election under Section 8808.155 either in the area of the water control and improvement district or in the territory of the district outside that area do not vote in favor of the ballot proposition:

(1) the proposed merger agreement does not take effect; and

(2) the board may not hold a subsequent election to confirm a proposed merger agreement between the same water control and improvement district and the district before the first anniversary of the election date.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

Sec. 8808.158. FILING REQUIREMENT. If a proposed merger agreement is confirmed at an election under Section 8808.155, not later than the 15th day after the date of the election the board shall file with the commission and in the deed records of Duval County a copy of:

(1) the merger agreement;

(2) the resolutions or other actions taken by the board and the directors approving the merger agreement under Section 8808.153; and

(3) the election results.

Added by Acts 2005, 79th Leg., Ch. 450 (S.B. 1847), Sec. 1, eff. June 17, 2005.

CHAPTER 8809. ANDERSON COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8809.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Anderson County Underground Water Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8809.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8809.003. LEGISLATIVE FINDINGS. The legislature finds that:

(1) the creation of the district is feasible and practicable;
(2) the district will benefit the land in the district;
(3) there is a public necessity for the district; and
(4) the district will provide a public use and benefit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8809.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 4, Chapter 992, Acts of the 70th Legislature, Regular Session, 1987, as that territory may have been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8809.051. COMPOSITION OF BOARD; TERMS. (a) The board is composed of nine directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8809.052. ELECTION DATE. Every two years, an election shall be held on the uniform election date in May to elect the appropriate number of directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8809.053. QUALIFICATIONS FOR ELECTION. To be qualified for election as a director, a person must be:

1. a resident of the district; and
2. at least 18 years of age.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8809.054. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a) The district shall act by resolutions adopted by the board.  
(b) All directors are entitled to vote.  
(c) The affirmative vote of a majority of the board is necessary to adopt a resolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8809.055. NOTICE OF MEETINGS. The board must publish notice in a newspaper of general circulation in the district not later than the fifth day before the date the board is scheduled to meet.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8809.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except to the extent of any conflict with this chapter or as specifically limited by this chapter, the district is governed by and subject to Chapter 36, Water Code, and has the powers and duties
Sec. 8809.102. LIMITATIONS ON DISTRICT POWERS. The district does not have the power to issue bonds and impose taxes under Subchapters F and G, Chapter 36, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8809.103. REGULATION OF GROUNDWATER PUMPING AND USE. The district may:

(1) prohibit the pumping or use of groundwater if the district determines that the pumping would present an unreasonable risk of pollution; or

(2) limit the pumping of groundwater to uses determined by the board to benefit the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8809.104. PURCHASE OF WATER BY INJECTION WELL PERMIT HOLDER. The district may require persons holding a permit for an injection well to purchase water from the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8809.105. DISPOSAL OF SALT DOME LEACHATE. The district may:

(1) adopt rules for the disposal of salt dome leachate in the district; or

(2) require the disposal of salt dome leachate outside the district.
Sec. 8809.106. WATER WELL FEES.  (a) The district shall impose a fee on each water well at the time a permit is first issued and may impose an annual fee on each well.

(b) The amount of a well fee must be set according to:
(1) the size of the column pipe used in the well;
(2) the production capacity of the well; or
(3) the amount of water produced.

(c) The board shall adopt rules relating to the rates for the fees.

(d) The board may:
(1) adopt rules classifying the types of uses made of groundwater in the district; and
(2) use the classifications to determine, in part, the amount of fees to be imposed under this section.

(e) The district may use money collected from fees to manage and operate the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8809.107. DISSOLUTION OF DISTRICT.  The district may be dissolved as provided by Subchapter P, Chapter 51, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

For contingent expiration of this chapter, see Sec. 8810.003.
Conservation District.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

Sec. 8810.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Burnet County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

Sec. 8810.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held before September 1, 2007:

(1) the district is dissolved on September 1, 2007, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Burnet County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires on September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

Sec. 8810.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Burnet County, Texas.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

Sec. 8810.005. CONSTRUCTION OF CHAPTER. This chapter shall be
liberally construed to achieve the legislative intent and purposes of Chapter 36, Water Code. A power granted by Chapter 36, Water Code, or this chapter shall be broadly interpreted to achieve that intent and those purposes.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

Sec. 8810.006. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8810.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms, with two or three directors' terms expiring at the first meeting of the board after the November election in even-numbered years and after the board has canvassed the votes and the newly elected directors have qualified for office and taken the constitutional oath.

(c) A director may serve consecutive terms.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 512 (S.B. 168), Sec. 1, eff. September 1, 2013.

Sec. 8810.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) The directors of the district shall be elected according to the commissioners precinct method as provided by this section.

(b) One director shall be elected by the voters of the entire district, and one director shall be elected from each county commissioners precinct by the voters of that precinct.
(c) Except as provided by Subsection (e), to be eligible to be a candidate for or to serve as director at large, a person must be a registered voter in the district. To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

(d) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or
(2) that the person seeks to represent the district at large.

(e) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

Sec. 8810.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in November of each even-numbered year.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 512 (S.B. 168), Sec. 2, eff. September 1, 2013.

Sec. 8810.054. DIVISION OF MUNICIPALITY. The provision in Section 36.059(b), Water Code, concerning the division of a municipal corporation among precincts does not apply to an election under this chapter.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June
Sec. 8810.101. PERMIT CONSIDERATION. Before granting or denying a permit under Section 36.113, Water Code, the district shall consider if the proposed use of water unreasonably affects surrounding landowners.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

Sec. 8810.102. PERMITS FOR CERTAIN ACTIVITIES; APPLICABLE RULES. (a) The district may require a permit for any activity that extracts groundwater or allows more than 25,000 gallons of groundwater a day to escape.

(b) If a permit is required under Subsection (a), the permit holder is subject to rules adopted by the district to:

(1) conserve, preserve, protect, and recharge the groundwater or a groundwater reservoir or its subdivisions to control subsidence, prevent degradation of groundwater quality, and prevent waste of groundwater; and

(2) carry out any other power or duty under Chapter 36, Water Code.

(c) To the extent of a conflict, this section controls over Section 36.117(b), Water Code.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

Sec. 8810.103. IMPACT OF TRANSFER. (a) If the district finds that a transfer of groundwater out of the district negatively impacts any of the factors described by Section 36.122(f), Water Code, the district may impose additional requirements or limitations on the permit that are designed to minimize those impacts.

(b) Sections 36.122(c), (e), (i), and (j), Water Code, do not apply to a requirement or limitation imposed under this section.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June
Sec. 8810.104. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES. The district and another governmental entity, including a river authority located in the district, may enter into a contract for the performance by that entity of a district function.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

Sec. 8810.105. REVENUE. (a) To pay the maintenance and operating costs of the district and to pay any bonds or notes issued by the district, the district may:

1. impose ad valorem taxes at a rate not to exceed five cents on each $100 of assessed valuation of taxable property;
2. assess fees for services or for water withdrawn from nonexempt wells; or
3. solicit and accept grants from any private or public source.

(b) The district may not impose ad valorem taxes to pay the maintenance and operating costs of the district at a rate that exceeds the maximum rate approved by a majority of the voters of the district voting at an election in the district held for that purpose.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

Sec. 8810.106. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN POWERS. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. DISSOLUTION

Sec. 8810.151. ELECTION FOR DISSOLUTION. (a) If the district has no outstanding bond or other long-term indebtedness, the district may be dissolved by a favorable vote of a majority of the registered
voters of the district at an election called for that purpose.

(b) The board shall call a dissolution election if the board receives a petition for dissolution signed by at least 50 percent of the registered voters in the district as computed by using the list of registered voters for Burnet County.

(c) If the district is dissolved under this section, the board shall:

(1) notify the Texas Commission on Environmental Quality and the secretary of state of the dissolution; and
(2) transfer title to any assets of the district to Burnet County.

Added by Acts 2005, 79th Leg., Ch. 855 (S.B. 967), Sec. 1, eff. June 17, 2005.

CHAPTER 8811. CORPUS CHRISTI AQUIFER STORAGE AND RECOVERY CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8811.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Corpus Christi Aquifer Storage and Recovery Conservation District.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

Sec. 8811.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Kleberg, Nueces, and San Patricio Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. The district is created to develop and protect municipal aquifer storage areas created by the City of Corpus Christi.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

Sec. 8811.003. CONFIRMATION ELECTION NOT REQUIRED. An election
to confirm the creation of the district is not required.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

Sec. 8811.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the city limits of the City of Corpus Christi and include:
(1) property owned by or under contract to the City of Corpus Christi in Nueces and Kleberg Counties; and
(2) in San Patricio County, property owned by or under contract to the City of Corpus Christi and bounded on the west by Interstate Highway 37 and U.S. Highway 77, on the north by the metropolitan planning organization boundary, on the east by County Road 2849, and on the south by the city limits of the City of Corpus Christi.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

Sec. 8811.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

Sec. 8811.006. CREATION OF GROUNDWATER CONSERVATION DISTRICTS IN SAN PATRICIO COUNTY. (a) This chapter does not preclude the creation of a groundwater conservation district in San Patricio County.

(b) A groundwater conservation district created in San Patricio County may not limit or restrict the district from recovering water stored by the district in a municipal aquifer storage area in the district, even if the municipal aquifer storage area is also located in the groundwater conservation district.

(c) To the extent that the boundaries of the district and a groundwater conservation district in San Patricio County overlap, the
power and authority of the two districts are joint and coextensive.

(d) The district and land in the district are exempt from taxes and fees imposed by a groundwater conservation district created in San Patricio County.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8811.021. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Subsection (c), directors serve staggered four-year terms.

(c) The initial directors shall draw lots to determine which three directors shall serve four-year terms that expire at the end of the calendar year four years after the effective date of the Act creating this chapter, and which two directors shall serve two-year terms that expire at the end of the calendar year two years after the effective date of the Act creating this chapter.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

Sec. 8811.022. APPOINTMENT OF DIRECTORS. The Corpus Christi City Council shall appoint the directors.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

Sec. 8811.023. VACANCY. If a vacancy occurs on the board, the board may appoint a director to serve the remainder of the term.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

Sec. 8811.024. OFFICERS. The board shall annually elect officers. The officers must be confirmed by the Corpus Christi City
Council.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8811.051. AQUIFER STORAGE AND RECOVERY PROJECTS. The district may implement and develop aquifer storage and recovery projects.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

Sec. 8811.052. MUNICIPAL AQUIFER STORAGE AREAS IN SAN PATRICIO COUNTY. The district may not allow more water to be recovered from a municipal aquifer storage area in San Patricio County than the amount of water stored by the district at the municipal aquifer storage area.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

Sec. 8811.053. TAXES AND BONDS PROHIBITED. The district may not impose a tax or issue bonds.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

Sec. 8811.054. EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 1324 (H.B. 3513), Sec. 1, eff. June 18, 2005.

For contingent expiration of this chapter, see Sec. 8812.003.

CHAPTER 8812. VICTORIA COUNTY GROUNDWATER
CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8812.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Victoria County Groundwater Conservation District.

Added by Acts 2005, 79th Leg., Ch. 661 (H.B. 3423), Sec. 1, eff. September 1, 2005.

Sec. 8812.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Victoria County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 661 (H.B. 3423), Sec. 1, eff. September 1, 2005.

Sec. 8812.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held before September 1, 2010:
(1) the district is dissolved on September 1, 2010, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Victoria County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires on September 1, 2013.

Added by Acts 2005, 79th Leg., Ch. 661 (H.B. 3423), Sec. 1, eff. September 1, 2005.

Sec. 8812.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Victoria County, Texas.
Sec. 8812.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 661 (H.B. 3423), Sec. 1, eff. September 1, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8812.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 661 (H.B. 3423), Sec. 1, eff. September 1, 2005.

Sec. 8812.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) The directors of the district shall be elected according to the commissioners precinct method as provided by this section.
(b) One director shall be elected by the voters of the entire district, and one director shall be elected from each county commissioners precinct by the voters of that precinct.
(c) Except as provided by Subsection (e), to be eligible to be a candidate for or to serve as director at large, a person must be at least 18 years of age and a resident of the district. To be a candidate for or to serve as director from a county commissioners precinct, a person must be at least 18 years of age and a resident of that precinct.
(d) A person shall indicate on the application for a place on the ballot:
   (1) the precinct that the person seeks to represent; or
   (2) that the person seeks to represent the district at large.
(e) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population...
changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Added by Acts 2005, 79th Leg., Ch. 661 (H.B. 3423), Sec. 1, eff. September 1, 2005.

Sec. 8812.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in November of each even-numbered year.

Added by Acts 2005, 79th Leg., Ch. 661 (H.B. 3423), Sec. 1, eff. September 1, 2005.

Sec. 8812.054. VACANCIES. A vacancy on the board shall be filled by appointment of the board until the next regularly scheduled directors' election. The person appointed to fill the vacancy shall serve only for the remainder of the unexpired term.

Added by Acts 2005, 79th Leg., Ch. 661 (H.B. 3423), Sec. 1, eff. September 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8812.101. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 661 (H.B. 3423), Sec. 1, eff. September 1, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8812.151. LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds two cents on each $100 of assessed valuation of taxable property in the district.
CHAPTER 8813. NORTH FORT BEND WATER AUTHORITY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8813.001. DEFINITIONS. In this chapter:

(1) "Authority" means the North Fort Bend Water Authority.
(2) "Board" means the board of directors of the authority.
(3) "Commission" means the Texas Commission on Environmental Quality or its successor.
(4) "Director" means a member of the board.
(5) "District" means any district created under Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution, regardless of the manner of creation, other than:
   (A) a navigation district or port authority;
   (B) a district governed by Chapter 36, Water Code; or
   (C) a district that does not have the legal authority to supply water.
(6) "Groundwater reduction plan" means a plan adopted or implemented to supply water, reduce reliance on groundwater, regulate groundwater pumping and usage, or require and allocate water usage among persons in order to comply with or exceed requirements imposed by the Fort Bend Subsidence District or the Harris-Galveston Subsidence District, as applicable, including any applicable groundwater reduction requirements.
(7) "Local government" means a municipality, county, district, or other political subdivision of this state or a combination of two or more of those entities.
(8) "Person" includes an individual, corporation, organization, government or governmental subdivision or agency, district, local government, business trust, estate, trust, partnership, association, and any other legal entity.
(9) "Subsidence" means the lowering in elevation of the surface of land by the withdrawal of groundwater.
(10) "System" means a network of pipelines, conduits, valves, canals, pumping stations, force mains, treatment plants, and any other construction, device, or related appurtenance used to treat or transport water.
(11) "Water" includes:
(A) groundwater, percolating or otherwise;
(B) any surface water, natural or artificial, navigable or nonnavigable; and
(C) industrial and municipal wastewater.
(12) "Well" includes a facility, device, or method used to withdraw groundwater from a groundwater source within the boundaries of the authority.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.006, eff. September 1, 2013.

Sec. 8813.002. NATURE OF AUTHORITY. The authority is a regional water authority in Fort Bend and Harris Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution, including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, and recharge of groundwater and of groundwater reservoirs or their subdivisions, the prevention of waste of groundwater, the control of subsidence caused by the withdrawal of water from groundwater reservoirs or their subdivisions, and other public purposes stated in this chapter. The authority is a political subdivision of this state.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.003. CONFIRMATION ELECTION NOT REQUIRED. An election to confirm the creation of the authority is not required.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.004. INITIAL AUTHORITY TERRITORY. (a) The authority
is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the authority;
(2) the right of the authority to issue any type of bond or note for the purposes for which the authority is created or to pay the principal of and interest on a bond or note;
(3) the right of the authority to impose or collect a fee, user fee, rate, charge, or special assessment; or
(4) the legality or operation of the authority.

(c) All of the territory of a local government created after the effective date of the Act creating this chapter that encompasses any territory within the boundaries of the authority, immediately on the creation and without any action required of the authority, is subject to all of the rights, powers, privileges, and rules of the authority to the same extent as the territory was before the local government was created.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.005. EXCLUSION OF CERTAIN TERRITORY. (a) A district or municipality that, on the effective date of the Act creating this chapter, is located, wholly or partly, within the territory described by Section 2(a) or (b) of the Act creating this chapter may petition for exclusion of all of its territory from the authority's boundaries by a petition signed by a majority of the members of the governing body of the district or municipality.

(b) The board shall:

(1) not later than the 120th day after the effective date of the Act creating this chapter, grant the petition and order the territory excluded if the petition:

(A) includes an accurate legal description of the boundaries of the territory to be excluded; and
(B) is filed with the authority not later than the 60th
day after the effective date of the Act creating this chapter; and

(2) if the board grants the petition, file for recording in the office of the county clerk for the applicable county or counties a copy of the order and a description of the authority's boundaries as they exist after the exclusion of the territory.

(c) If a district or municipality is excluded from the authority's boundaries under this section, the authority is not required to:

(1) provide water or any other service to the district or municipality; or

(2) include the district or municipality in any groundwater reduction plan adopted or implemented by the authority.

(d) If, not later than the 60th day after the effective date of the Act creating this chapter, a district or municipality files a petition for exclusion under this section, the authority may not impose fees, user fees, rates, charges, or special assessments on the district or municipality after the petition is filed with the authority unless the district or municipality is annexed by the authority under Section 8813.006.

(e) If a district or municipality excluded from the authority's boundaries under this section petitions the authority to be annexed under Section 8813.006, the authority may annex the district or municipality. The authority may, as a condition of annexation, require terms and conditions the board considers appropriate. The authority may require the district or municipality to pay the authority the fees, user fees, charges, and special assessments, with interest, that, as determined by the authority, the district or municipality would have been charged by the authority if the district or municipality had not been excluded from the authority under this section.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.006. ANNEXATION. (a) Except to the extent the authority agrees in writing, a municipality's annexation of territory within the authority does not affect:

(1) the authority's powers inside or outside the annexed territory;
(2) the authority's boundaries or contracts; or
(3) the authority's ability to assess fees, user fees, rates, charges, or special assessments inside or outside the territory annexed by the municipality.

(b) Territory may be annexed to the authority, regardless of whether the territory is contiguous to the authority, as provided by Chapter 49, Water Code.

(c) In addition to the authority granted by Subsection (b), regardless of whether the territory is contiguous to the authority, the authority may annex some or all of the territory located within a district or municipality if the district or municipality files with the authority a petition requesting the annexation signed by a majority of the members of the governing body of the district or municipality. The petition must include an accurate legal description of the boundaries of the territory to be included. If the authority has bonds, notes, or other obligations outstanding, the authority shall require the petitioning district or municipality to be obligated to pay its share of the principal of and interest on the outstanding bonds, notes, or other obligations, and related costs. The board may grant the petition and order the territory described by the petition annexed to the authority if it is feasible, practicable, and to the advantage of the authority.

(d) Any territory that a district located within the authority annexes becomes territory of the authority on the effective date of the annexation without any action required of the authority. The authority by rule may require all districts located within the authority to send to the authority written notice of the effective date of an annexation and require the districts to send to the authority copies of any necessary documents describing the annexed land and describing the districts' boundaries as they exist after inclusion of the annexed land.

(e) The annexation to the authority of territory under this section does not affect the validity of the authority's bonds issued before or after the annexation.

(f) A municipality that annexes territory of the authority for limited purposes under Subchapter F, Chapter 43, Local Government Code, does not have the right to:

(1) receive notices from the authority under Section 8813.103(c);
(2) participate in the appointment of directors under
Subchapter B; or

(3) receive information about or have the opportunity to fund its share of capital costs in the manner provided by the authority under Section 8813.104.

(g) Notwithstanding any provision of this section or other law, no territory may be annexed into or added to the authority that, at the time of annexation or addition, is located within the boundaries of both:

(1) another regional water authority created under Section 59, Article XVI, Texas Constitution; and

(2) a subsidence district.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 621 (S.B. 1051), Sec. 1, eff. June 16, 2015.

Sec. 8813.007. APPLICABILITY OF OTHER LAW. (a) Except as otherwise provided by this chapter, Chapter 49, Water Code, applies to the authority.

(b) This chapter does not prevail over or preempt a provision of Chapter 36, Water Code, or Chapter 8801 or 8834 of this code that is being implemented by the Harris-Galveston Subsidence District or Fort Bend Subsidence District, as applicable.

(c) Chapter 36, Water Code, does not apply to the authority.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 875 (S.B. 2514), Sec. 1, eff. June 19, 2009.
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.007, eff. September 1, 2013.

Sec. 8813.008. FINDING OF BENEFIT. All the land, property, and persons included within the boundaries of the authority will be directly benefited by the works, projects, improvements, and services to be provided by the authority under powers conferred by Section 59,
Article XVI, Texas Constitution, and this chapter. The authority is created to serve a public use and benefit. The creation of the authority will serve to promote the health, safety, and general welfare of persons within the authority and the general public. Any fees, user fees, rates, charges, or special assessments imposed by the authority under this chapter are necessary to pay for the costs of accomplishing the purposes of the authority as set forth in Section 59, Article XVI, Texas Constitution, and this chapter, including:

(1) the reduction of groundwater withdrawals;
(2) the facilitation of compliance with the requirements of the Fort Bend Subsidence District or the Harris-Galveston Subsidence District, as applicable; and
(3) the provision of services, facilities, and systems.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.008, eff. September 1, 2013.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8813.051. DIRECTORS; TERMS. (a) The authority is governed by a board of seven directors.
(b) The directors serve staggered four-year terms that expire May 15 of even-numbered years.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.052. ELIGIBILITY TO SERVE AS DIRECTOR. (a) To be eligible to serve as a director of the authority or to be listed on a ballot as a candidate for director of the authority representing a director precinct, an individual must:
(1) be at least 18 years of age;
(2) be a resident of the authority; and
(3) have served as a director of one or more districts for a total of at least four years.
(b) Notwithstanding Subsection (a), to serve as a director
representing, or to be listed on a ballot as a candidate for director representing, a director precinct that includes any part of the City of Fulshear, an individual must:

(1) meet the qualifications provided by Subsections (a)(1) and (2); and

(2) have served as:
   (A) the mayor or a member of the city council of the City of Fulshear for any period; or
   (B) a director of one or more districts for a total of at least four years.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.053. DISQUALIFICATION OF DIRECTORS. The common law doctrine of incompatibility does not disqualify an official or employee of a public entity from serving as a director of the authority. A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.054. CONFLICTS OF INTEREST. Chapter 171, Local Government Code, governs conflicts of interest of board members.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.055. SINGLE-MEMBER DIRECTOR PRECINCTS. (a) The authority is divided into seven single-member director precincts, as described by Section 3 of the Act creating this chapter.

(b) The board may redraw the single-member director precincts in a manner that is reasonable and equitable:

(1) after any change in the boundaries of the authority; or

(2) by a resolution redrawing the director precincts adopted by a two-thirds majority of the board based on changed
circumstances.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.056. METHOD OF APPOINTMENT OF DIRECTORS. (a) The governing bodies of the districts and municipalities located within each director precinct jointly shall appoint one director to represent the precinct by a vote conducted as provided by this section.

(b) If a district or municipality is located within two or more director precincts, the district or municipality is considered, for purposes of this section, to be located only within the director precinct in which the greatest amount of territory of the district or municipality is located.

(c) For the appointment of a director for a director precinct, the board shall determine the number of votes each district or municipality may cast. The number of votes for a governing body of a district or municipality within the precinct is equal to the number computed by dividing the total number of units of water, as determined by the board, used within the precinct by the district or municipality during the calendar year preceding the year in which the director is selected by the total number of units of water used within the precinct by all districts and municipalities in the precinct, multiplying that quotient by 100, and rounding that result to the nearest one-tenth. The board shall provide the presiding officer of each governing body of a district or municipality within each director precinct written notice of the number of votes computed for that governing body to cast.

(d) For purposes of Subsection (c), the board shall determine the amount of water usage of all districts and municipalities within each director precinct.

(e) In the appropriate even-numbered year, the governing body of each district or municipality in a director precinct by resolution may nominate one candidate for the position of director for that director precinct. Each district or municipality shall submit the name of its candidate, if any, to the presiding officer of the authority by February 15 of that year. If by February 15 of that year only one candidate's name is submitted for the position of
director for a director precinct, the board may declare the unopposed candidate elected and may cancel the director appointment procedures generally required by this section for that position. If more than one candidate's name is submitted for the position of director for a director precinct, before March 15 of that year the board shall prepare, for the director precinct or precincts from which a director is being appointed, a ballot listing all of the candidates for that director precinct and shall provide a copy of the appropriate ballot to the presiding officer of the governing body of each district or municipality located within the director precinct from which a director is being appointed.

(f) An individual may not be listed as a candidate on the ballot for more than one director position. If a candidate is nominated for more than one director position, the candidate must choose to be on the ballot for only one director position.

(g) The governing body of each district or municipality shall determine its votes for director by resolution and submit them to the presiding officer of the authority before May 1 of the appropriate even-numbered year. In casting its votes for director, the governing body of each district or municipality may vote for only one candidate on the ballot for the director precinct in which the district or municipality is located. For each director precinct from which a director is being appointed, the board shall count the votes, declare elected the candidate who received the greatest number of votes from districts and municipalities located within that director precinct, and submit the results before May 15 of that year to the governing body of each district or municipality within that director precinct.

(h) The board may adopt rules regarding:
   (1) the manner and timing of determinations and calculations required by this section;
   (2) the reporting of water usage to the authority by districts and municipalities; and
   (3) the conduct and process of the appointment of directors.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.057. VACANCY IN OFFICE OF DIRECTOR. A vacancy in the
office of director shall be filled by appointment by the governing bodies of the districts and municipalities that are located within the director precinct for which the vacancy occurred. The appointment process shall follow the procedures of Section 8813.056. The board may establish dates different from those specified by Sections 8813.056(e) and (g), but the date for the board's submission of the voting results to each district and municipality may not be later than the 120th day after the date the vacancy occurs.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.058. MEETINGS AND ACTIONS OF BOARD. (a) The board may meet as many times each year as the board considers appropriate.

(b) Directors of the authority are public officials and are entitled to governmental immunity for their actions in their capacity as directors and officers of the authority.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.059. GENERAL MANAGER. (a) The board may employ a general manager of the authority or contract with a person to perform the duties of a general manager. The board may delegate to the general manager full authority to manage and operate the affairs of the authority subject only to orders of the board.

(b) The board may delegate to the general manager the authority to employ all persons necessary for the proper handling of the business and operation of the authority and to determine the compensation to be paid to all employees, other than the general manager.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8813.101. GENERAL POWERS AND DUTIES. (a) The authority may:
(1) provide for the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and for the reduction of groundwater withdrawals as necessary to develop, implement, or enforce a groundwater reduction plan, in a manner consistent with the purposes of Section 59, Article XVI, Texas Constitution, and facilitate compliance with Fort Bend Subsidence District or Harris-Galveston Subsidence District, as applicable, rules, orders, regulations, or requirements;

(2) acquire or develop surface water and groundwater supplies from sources inside or outside the boundaries of the authority, conserve, store, transport, treat, purify, distribute, sell, and deliver water to or among persons inside and outside the boundaries of the authority, and allocate water among persons participating in the authority's groundwater reduction plan whether they are located inside or outside the authority's boundaries;

(3) enter into contracts with persons inside or outside the authority on terms and conditions the board considers desirable, fair, and advantageous for the performance of its rights, powers, and authority under this chapter;

(4) coordinate water services provided inside, outside, or into the authority;

(5) provide wholesale and retail water services to any users or customers within the authority's boundaries without being required to execute contracts with those users or customers;

(6) adopt policies establishing whether, when, and the manner in which the authority uses requests for proposals in obtaining services, including professional services;

(7) determine whether to adopt administrative policies in addition to those required by Section 49.199, Water Code; and

(8) administer and enforce this chapter.

(b) Sections 49.451-49.455, Water Code, do not apply to the authority.

(c) Notwithstanding Subsection (a)(5), the authority may not provide retail water service to a retail user within the authority's boundaries that is located within the boundaries of a district or municipality on the date the authority awards a contract for the construction or executes a contract for the acquisition of water facilities to serve that retail user, unless:

(1) the district or municipality consents in writing to the authority's provision of retail water service; or
(2) the retail user owns or operates a well.

(d) If a retail user that does not own or operate a well is added to the boundaries of a district or municipality after the date the authority awards a contract for the construction or executes a contract for the acquisition of water facilities to serve that retail user, the authority may provide retail service to that retail user without the written consent of the district or municipality.

(e) The authority is not a special water authority for purposes of Chapter 49, Water Code.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.009, eff. September 1, 2013.
Acts 2015, 84th Leg., R.S., Ch. 621 (S.B. 1051), Sec. 2, eff. June 16, 2015.

Sec. 8813.102. AUTHORITY RULES. The authority may adopt and enforce rules reasonably required to implement this chapter, including rules governing procedures before the board and rules regarding implementation, enforcement, and any other matters related to the authority's water supply or groundwater reduction plan.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.103. FEES, USER FEES, RATES, AND CHARGES. (a) The authority may establish fees, user fees, rates, and charges and classifications of payers of fees and rates as necessary to enable the authority to fulfill the authority's purposes and regulatory functions provided by this chapter. The authority may impose fees, user fees, rates, and charges on any person within the authority.

(b) The authority may charge the owner of a well located within the authority's boundaries a fee or user fee according to the amount of water pumped from the well. If ownership of a well changes, both the prior and subsequent well owners are liable to the authority, jointly and severally, for all fees and user fees imposed by the authority under this subsection, and any related penalties and
interest, for water pumped from that well before the change in well ownership.

(c) The board shall make reasonable efforts to send districts and municipalities written notice of the date, time, and location of the meeting at which the board intends to adopt a proposed charge under Subsection (b) and the amount of the proposed charge. The board's failure to comply with this subsection does not invalidate a charge adopted by the board under Subsection (b).

(d) For wells located in Harris County or Fort Bend County, the board shall exempt from the charge under Subsection (b) classes of wells that are not subject to any groundwater reduction requirement imposed by the Harris-Galveston Subsidence District or the Fort Bend Subsidence District, as applicable. If any of those classes of wells become subject to a groundwater reduction requirement imposed by the applicable subsidence district, the authority may impose the charge under Subsection (b) on those classes. The board by rule may exempt any other classes of wells from the charge under Subsection (b). The board may not apply the charge under Subsection (b) to a well:

1. with a casing diameter of less than five inches that serves only a single-family dwelling; or
2. regulated under Chapter 27, Water Code.

(e) For purposes of Subsection (d), a well is subject to a groundwater reduction requirement if the Harris-Galveston Subsidence District or the Fort Bend Subsidence District, as applicable, has adopted or adopts a requirement or rule that groundwater withdrawals from the well, or from the well and other wells collectively, be reduced, including a groundwater reduction that is not required until a future date.

(e-1) Notwithstanding Subsection (d), the authority may impose a charge under Subsection (b) on a well or class of wells located in Harris or Fort Bend County that, on or after February 1, 2013:

1. ceases to be subject to a groundwater reduction requirement imposed by the Harris-Galveston Subsidence District or the Fort Bend Subsidence District, as applicable; or
2. is no longer subject to the regulatory provisions, permitting requirements, or jurisdiction of the Harris-Galveston Subsidence District or the Fort Bend Subsidence District, as applicable.

(f) The authority may establish fees, user fees, rates, and charges that are sufficient to:
(1) achieve water conservation;
(2) prevent waste of water;
(3) serve as a disincentive to pumping groundwater;
(4) develop, implement, or enforce a groundwater reduction plan;
(5) accomplish the purposes of this chapter, including making available alternative water supplies;
(6) enable the authority to meet operation and maintenance expenses;
(7) pay the principal of and interest on notes, bonds, and other obligations issued in connection with the exercise of the authority's general powers and duties; and
(8) satisfy all rate covenants relating to the issuance of notes, bonds, and other obligations.

(g) The authority may charge rates established by the authority for water purchased from the authority.

(h) The authority may impose fees, user fees, or charges for the importation of water into the authority's boundaries from a source located outside the authority's boundaries.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 89 (S.B. 595), Sec. 1, eff. May 18, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.010, eff. September 1, 2013.

Sec. 8813.104. PURCHASE OF WATER FROM ANOTHER ENTITY. (a) If the authority purchases water from another entity for resale to local governments, the authority shall use its best efforts in negotiating with the entity to determine the amount of capital costs included in any rates or charges paid by the authority. The authority shall determine the amount of expected capital costs of its own system.

(b) The authority may provide each district or municipality within its boundaries information regarding the share of the capital costs to be paid by the district or municipality, as determined by the authority, and may provide each district or municipality the opportunity, in a manner and by a procedure determined by the
authority, to fund its share of the capital costs with proceeds from the sale of bonds or fees and charges collected by the districts or municipalities. A district or municipality may use any lawful source of revenue, including bond funds, to pay any sums due to the authority.

(c) The authority may adopt a procedure by which a district or municipality may receive a credit from the authority. The board may adopt any other procedure necessary to accomplish the goals of this section.

(d) In complying with this section, the authority may use any reasonable basis to calculate from time to time the share of the capital costs of a district or municipality. The authority may calculate the shares of the capital costs based on the amount of water used within the authority by the district or municipality during the calendar year preceding the year in which the calculation is made.

(e) This section or any failure to comply with this section does not limit or impede the authority's ability to issue bonds or notes or invalidate any fees, user fees, charges, rates, or special assessments imposed by the authority.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.
Amended by:
   Acts 2015, 84th Leg., R.S., Ch. 621 (S.B. 1051), Sec. 3, eff. June 16, 2015.

Sec. 8813.105. ASSESSMENTS. (a) The board may undertake improvement projects and services that confer a special benefit on all or a definable part of the authority. The board may impose special assessments on property in that area, including property of a local government, based on the benefit conferred by the improvement project or services, to pay all or part of the cost of the project and services. The board may provide improvements and services to an area outside the boundaries of the authority if the board determines that there is a benefit to the authority. The authority may finance with special assessments any improvement project or service authorized by this chapter or any other applicable law.

(b) Services or improvement projects may be financed with
special assessments under this chapter only after the board holds a public hearing on the advisability of the improvements and services and the proposed assessments.

(c) The board shall publish notice of the hearing in a newspaper or newspapers with general circulation in Harris and Fort Bend Counties. The publication must be made not later than the 30th day before the date of the hearing.

(d) Notice provided under this section must include:
(1) the time and place of the hearing;
(2) the general nature of the proposed improvement project or services;
(3) the estimated cost of the improvement, including interest during construction and associated financing costs; and
(4) the proposed method of assessment.

(e) Written notice containing the information required by Subsection (d) shall be mailed by certified mail, return receipt requested, not later than the 30th day before the date of the hearing. The notice shall be mailed to each person within the authority who holds a permit for a well issued by the Harris-Galveston Subsidence District or Fort Bend Subsidence District, as applicable, and whose well is subject to a groundwater reduction requirement imposed by that district. The Harris-Galveston Subsidence District and Fort Bend Subsidence District shall provide to the authority a list of persons who hold such a permit.

(f) The board may establish rules regarding procedures for a hearing. A hearing on the services or improvement project, whether conducted by the board or a hearings examiner, may be adjourned from time to time. At the conclusion of a hearing conducted by the board, the board shall make written findings and conclusions relating to the advisability of the improvement project or services, the nature of the improvement project or services, the estimated cost, and the area benefited. If the board appoints a hearings examiner to conduct the hearing, after conclusion of the hearing, the hearings examiner shall file with the board a written report of the examiner's findings and conclusions.

(g) At a hearing on proposed assessments, on adjournment of the hearing, or after consideration of the hearings examiner's report, the board shall hear and rule on all objections to each proposed assessment. The board may amend proposed assessments for any property. After the board hears and takes action on those
objections, the board, by order:

(1) shall impose the assessments as special assessments on the property;
(2) shall specify the method of payment of the assessments; and
(3) may provide that those assessments, including interest, be paid in periodic installments.

(h) Periodic installments must be in amounts sufficient to meet annual costs for services and improvements as provided by Subsection (j) and continue for the number of years required to retire the indebtedness or pay for the services to be rendered. The board may provide interest charges or penalties for failure to make timely payment and may impose an amount to cover delinquencies and expenses of collection.

(i) If assessments are imposed for more than one service or improvement project, the board may provide that assessments collected for one service or improvement project may be borrowed to be used for another service or improvement project. The board shall establish a procedure for the distribution or use of any assessments in excess of those necessary to finance the services or improvement project for which those assessments were collected.

(j) The board shall apportion the cost of an improvement project or services to be assessed against the property in the authority according to the special benefits that accrue to the property because of the improvement project or services. The board may assess the cost only according to the number of gallons of groundwater pumped from wells within the authority that are subject to a groundwater reduction requirement imposed by the Harris-Galveston Subsidence District or Fort Bend Subsidence District, as applicable. The board may not assess the cost according to groundwater pumped from:

(1) a well with a casing diameter of less than five inches that serves only a single-family dwelling; or
(2) a well that is regulated by Chapter 27, Water Code.

(k) The area of the authority to be assessed according to the findings of the board may be the entire authority or any part of the authority and may be less than the area proposed in the notice of the hearing.

(1) The area to be assessed may not include property that is not within the authority boundaries at the time of the hearing unless
there is an additional hearing, following the required notice.

(m) Notwithstanding Subsection (l), the owner of land annexed to the authority after the authority has imposed assessments may waive the right to notice and an assessment hearing and may agree to the imposition and payment of assessments at an agreed rate for land annexed to the authority. A district or municipality may waive the right to notice and an assessment hearing for land within its boundaries annexed to the authority and may agree to the imposition and payment of assessments at an agreed rate for the annexed land.

(n) The board shall have prepared an assessment roll showing the assessments against each property and the board's basis for the assessment. The assessment roll shall be:

1. filed with the secretary of the board or other officer who performs the function of secretary; and
2. open for public inspection.

(o) After notice and hearing in the manner required for an original assessment, the board may make supplemental assessments to correct omissions or mistakes in the assessment:

1. relating to the total cost of the improvement project or services; or
2. covering delinquencies or costs of collection.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.011, eff. September 1, 2013.

Sec. 8813.106. INTEREST AND PENALTIES. The board may require the payment of interest on any late or unpaid fees, user fees, rates, charges, and special assessments due the authority, but the interest rate may not exceed the interest rate permitted by Section 2251.025, Government Code. The board may also impose penalties for the failure to make a complete or timely payment to the authority. In addition, the board may exclude a person, or any territory or well owned or controlled by a person, from the authority's groundwater reduction plan for failure to make a complete or timely payment to the authority.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June
Sec. 8813.107. ATTORNEY'S FEES AND COLLECTION EXPENSES. (a) The authority is entitled to reasonable attorney's fees incurred by the authority in enforcing its rules.

(b) The authority is entitled to collection expenses and reasonable attorney's fees incurred by the authority in collecting any delinquent fees, user fees, rates, and charges and any related penalties and interest.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.108. LIEN. (a) Fees and user fees imposed by the authority under Section 8813.103(b), any related penalties and interest, and collection expenses and reasonable attorney's fees incurred by the authority:

(1) are a first and prior lien against the well to which the fees or user fees apply;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owner of the well.

(b) A lien under this section is effective from the date of the resolution or order of the board imposing the fee or user fee until the fee or user fee is paid.

(c) The board may enforce the lien in the same manner that a municipal utility district operating under Chapter 54, Water Code, may enforce an ad valorem tax lien against real property.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.109. ADMINISTRATIVE PENALTY; INJUNCTION. (a) A person who violates a rule or order of the authority is subject to an administrative penalty of not more than $5,000, as determined by the board, for each violation or each day of a continuing violation. The
person shall pay the penalty to the authority.

(b) The authority may bring an action to recover the penalty in a district court in the county where the violation occurred.

(c) The authority may bring an action for injunctive relief in a district court in the county where a violation of an authority rule or order occurs or is threatened to occur. The court may grant to the authority, without bond or other undertaking, a prohibitory or mandatory injunction that the facts warrant, including a temporary restraining order, temporary injunction, or permanent injunction.

(d) The authority may bring an action for an administrative penalty and injunctive relief in the same proceeding.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.110. WATER SUPPLY OR DROUGHT CONTINGENCY PLANS. The authority by rule may develop, prepare, revise, adopt, implement, enforce, and manage comprehensive water supply or drought contingency plans for the authority, or any portion of the authority.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.111. GROUNDWATER REDUCTION PLAN. (a) The authority may wholly or partly develop, prepare, revise, adopt, implement, enforce, manage, or participate in a groundwater reduction plan that is applicable only to the authority and one or more persons outside the authority. The authority may require that any groundwater reduction plan that the authority wholly or partly develops, prepares, revises, adopts, implements, enforces, or manages or in which the authority participates be the exclusive groundwater reduction plan that is binding and mandatory on some or all of the territory, persons, or wells located within the authority. A groundwater reduction plan may:

(1) specify the measures to be taken to reduce groundwater withdrawals;

(2) identify alternative sources of water, including water from the authority, to be provided to those affected;

(3) identify the rates, terms, and conditions under which
alternative sources of water will be provided, which may be changed from time to time as considered necessary by the authority;

(4) specify the dates and extent to which persons or districts within the authority's boundaries shall reduce or cease reliance on groundwater and accept water from alternative sources, including water from the authority;

(5) include other terms and measures that are consistent with the powers and duties of the authority;

(6) exceed the minimum requirements imposed by the Harris-Galveston Subsidence District or Fort Bend Subsidence District, as applicable, including any applicable groundwater reduction requirements; and

(7) be amended from time to time at the discretion of the authority.

(b) Fees, user fees, rates, charges, and special assessments of the authority may be imposed under this chapter for a person's participation in and benefit derived from the authority's groundwater reduction plan or a groundwater reduction plan in which the authority participates.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.012, eff. September 1, 2013.

Sec. 8813.112. ACQUISITION, CONSTRUCTION, AND OPERATION OF SYSTEMS. (a) The authority may:

(1) acquire by purchase, gift, lease, contract, or any other legal means a water treatment or supply system, or any other works, plants, improvements, or facilities necessary or convenient to accomplish the purposes of the authority, or any interest of the authority, inside or outside the authority's boundaries;

(2) design, finance, operate, maintain, or construct a water treatment or supply system or any other works, plants, improvements, or facilities necessary or convenient to accomplish the purposes of the authority and provide water services inside or outside the authority's boundaries;

(3) lease or sell a water treatment or supply system or any
other works, plants, improvements, or facilities necessary or convenient to accomplish the purposes of the authority that the authority constructs or acquires inside or outside the authority's boundaries;

(4) contract with any person to operate or maintain a water treatment or supply system the person owns; or

(5) acquire water rights under any law or permit.

(b) The authority may contract, according to terms and conditions the board considers desirable, fair, and advantageous, with a person outside the authority's boundaries:

(1) to allow the person, or the person's well, to be included in a groundwater reduction plan adopted or implemented wholly or partly by the authority or in a groundwater reduction plan in which the authority participates;

(2) to sell water to the person; or

(3) to sell the person available excess capacity or additional capacity of the authority's water treatment or supply system.

(c) The authority by rule may require that the plans and specifications of water lines to be constructed within the authority that are designed or intended to serve more than one district or more than one person owning or holding a well permit issued by the Harris-Galveston Subsidence District or Fort Bend Subsidence District, as applicable, be approved by the authority before the commencement of construction of the water lines.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.013, eff. September 1, 2013.

Sec. 8813.113. SALE OR REUSE OF WATER OR BY-PRODUCT. The authority may store, sell, or reuse:

(1) water; or

(2) any by-product from the authority's operations.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.
Sec. 8813.114. CONTRACTS. (a) The authority may enter into a contract with a person for the performance of a purpose or function of the authority, including a contract to design, construct, finance, lease, own, manage, operate, or maintain works, improvements, facilities, plants, equipment, or appliances necessary to accomplish a purpose or function of the authority. A contract may be of unlimited duration.

(b) The authority may purchase, acquire, finance, or lease an interest in a project used for a purpose or function of the authority.

(c) The authority may contract for:
   (1) the purchase, sale, or lease of water or water rights;
   (2) the performance of activities within the powers of the authority through the purchase, construction, or installation of works, improvements, facilities, plants, equipment, or appliances; or
   (3) the design, construction, ownership, management, maintenance, or operation of any works, improvements, facilities, plants, equipment, or appliances of the authority or another person.

(d) The authority may purchase surplus property from this state, the United States, or another public entity through a negotiated contract without bids.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.115. COOPERATION WITH AND ASSISTANCE OF OTHER GOVERNMENTAL ENTITIES. (a) In implementing this chapter, the board may cooperate with and request the assistance of the Texas Water Development Board, the commission, the United States Geological Survey, the Fort Bend Subsidence District, other local governments, and other agencies of the United States and this state.

(b) The Fort Bend Subsidence District may enter into an interlocal contract with the authority to carry out the authority's purposes and may carry out the governmental functions and services specified in the interlocal contract.

(c) In an attempt to minimize costs associated with preparing a groundwater reduction plan, the board may consider the usefulness of water supply studies and plans prepared by or on behalf of the North Harris County Regional Water Authority, the West Harris County
Regional Water Authority, the City of Houston, or other governmental entities to the extent those studies or plans are available and applicable to the authority.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.116. GIFTS AND GRANTS. The authority may accept a gift or grant from money collected by the Fort Bend Subsidence District to fund the construction, maintenance, or operation of a water treatment or supply system.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.117. EXPENDITURES. (a) The authority's money may be disbursed only by check, draft, order, federal reserve wire system, or other instrument or authorization.

(b) Disbursements of the authority must be signed by at least a majority of the directors. The board by resolution may allow the general manager, treasurer, bookkeeper, or other employee of the authority to sign disbursements, except as limited by Subsection (c).

(c) The board by resolution may allow disbursements to be transferred by federal reserve wire system to accounts in the name of the authority without the necessity of any directors signing the disbursement. Disbursements of the authority's money by federal reserve wire system to any accounts not in the name of the authority must be signed by at least a majority of the directors.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.118. AD VALOREM TAXATION. The authority may not impose an ad valorem tax.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.
Sec. 8813.119. EMINENT DOMAIN. (a) The authority may acquire by condemnation any land, easements, or other property inside the authority's boundaries to further authorized purposes, powers, or duties of the authority. The authority may acquire by condemnation any land, easements, or other property outside the authority's boundaries for the purposes of pumping, storing, treating, or transporting water. When exercising the power of eminent domain granted by this section, the authority may elect to condemn either the fee simple title or a lesser property interest.

(b) The authority shall exercise the right of eminent domain in the manner provided by Chapter 21, Property Code. The authority is not required to give bond for appeal or bond for costs in a condemnation suit or other suit to which it is a party. The authority is not required to deposit more than the amount of an award in a suit.

(c) The authority may not use the power of eminent domain for the condemnation of land for the purpose of acquiring rights to groundwater or for the purpose of acquiring water or water rights.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

Sec. 8813.120. ACTION AGAINST PERSON, DISTRICT, OR POLITICAL SUBDIVISION. (a) The authority may bring an action in a district court against a person, including a district or other political subdivision located in the authority's territory or included in the authority's groundwater reduction plan, to:

(1) recover any fees, rates, charges, assessments, collection expenses, attorney's fees, interest, penalties, or administrative penalties due the authority; or

(2) enforce the authority's rules or orders.

(b) Governmental immunity from suit or liability of a district or other political subdivision is waived for the purposes of an action under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 875 (S.B. 2514), Sec. 2, eff. June 19, 2009.

SUBCHAPTER D. BONDS AND NOTES
Sec. 8813.151. REVENUE BONDS AND NOTES. (a) The authority may issue bonds or notes payable solely from revenue from any source, including:

(1) tolls, charges, rates, fees, user fees, and special assessments the authority imposes or collects;
(2) the sale of water, water services, water rights or capacity, water transmission rights or services, water pumping, or any other service or product of the authority provided inside or outside the boundaries of the authority;
(3) grants or gifts;
(4) the ownership or operation of all or a designated part of the authority's works, improvements, facilities, plants, or equipment; and
(5) contracts between the authority and any person.

(b) Notes issued by the authority may be first or subordinate lien notes at the board's discretion.

(c) In connection with any bonds or notes of the authority, the authority may exercise any power of an issuer under Chapter 1371, Government Code.

(d) The authority may conduct a public, private, or negotiated sale of the bonds or notes.

(e) The authority may enter into one or more indentures of trust to further secure its bonds or notes.

(f) The authority may issue bonds or notes in more than one series as necessary to carry out the purposes of this chapter. In issuing bonds or notes secured by revenue of the authority, the authority may reserve the right to issue additional bonds or notes secured by the authority's revenue that are on a parity with or are senior or subordinate to the bonds or notes issued earlier.

(g) A resolution of the board authorizing the bonds or notes or a trust indenture securing the bonds or notes may specify additional provisions that constitute a contract between the authority and its bondholders or noteholders.

(h) Bonds and notes may be additionally secured by deed of trust or mortgage on any or all of the authority's facilities.

(i) The authority may issue refunding bonds or notes to refund any of its bonds or notes in any manner provided by law.

(j) Sections 49.153, 49.154, and 49.181, Water Code, do not apply to bonds or notes issued by the authority. Commission rules regarding bonds or notes do not apply to bonds or notes issued by the
authority.

Added by Acts 2005, 79th Leg., Ch. 893 (S.B. 1798), Sec. 1, eff. June 17, 2005.

CHAPTER 8814. STERLING COUNTY UNDERGROUND WATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8814.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Sterling County Underground Water Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution, to provide for the conservation, preservation, protection, recharge, and prevention of waste and pollution of the district's groundwater and surface water, consistent with the objectives of Section 59, Article XVI, Texas Constitution, and Chapter 36 and Subchapters H and I, Chapter 49, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.003. LEGISLATIVE FINDINGS. The legislature finds that:
(1) the organization of the district is feasible and practicable;
(2) the land to be included in and the residents of the district will benefit from the creation of the district;
(3) there is a public necessity for the district; and
(4) the creation of the district will further the public welfare.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
Sec. 8814.004. DISTRICT TERRITORY. The district is composed of the territory in Sterling County unless the district's territory has been modified under:

(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.005. DISTRICT NAME CHANGE. The board may change the name of the district if additional territory is annexed to or consolidated with the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.006. OWNERSHIP OF GROUNDWATER AND SURFACE WATER RIGHTS NOT AFFECTED BY CHAPTER. The ownership and rights of the owner of land, the owner's lessees, and assigns in groundwater and any surface water rights are recognized, and this chapter does not deprive or divest the owner, the owner's lessees, or assigns of those ownership rights.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.007. PAYMENT OF ORGANIZATIONAL EXPENSES. (a) The board may pay:

(1) all costs and expenses necessarily incurred in the creation and organization of the district;
(2) legal fees; and
(3) other incidental expenses.

(b) The board may reimburse a person for money advanced for a purpose described by Subsection (a).

(c) A payment may be made from maintenance taxes or other
district revenue.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8814.051. COMPOSITION OF BOARD; TERMS. (a) The board is composed of five directors.
(b) Directors serve staggered four-year terms.
(c) A director takes office at the first regular meeting of the board following the director's election to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.052. ELECTION OF DIRECTORS. One director is elected from the district at large. One director is elected from each county commissioners precinct.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.053. ELECTION DATE. Every two years, an election shall be held on the uniform election date in May to elect the appropriate number of directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.054. QUALIFICATIONS FOR ELECTION; ELIGIBILITY TO SERVE. (a) To be qualified for election as a director, a person must be:
(1) a resident of the district; and
(2) at least 18 years of age.
(b) In addition to the requirements of Subsection (a), a person who is a director from a county commissioners precinct must be a resident of that precinct unless the composition of the board is
changed by annexation or consolidation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.056. COMPOSITION OF BOARD FOLLOWING ANNEXATION OR CONSOLIDATION. If the district annexes territory or consolidates with another district, the board shall determine the composition of the board in a manner that is equitable for the residents of the district as provided by Chapter 36, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.057. COMPENSATION; EXPENSES. (a) A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties.

(b) The expenses described by Subsection (a) must be:
(1) reported in the district's records; and
(2) approved by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.058. VOTE REQUIRED FOR OFFICIAL BOARD ACTION. An official action of the board is not valid without the affirmative vote of a majority of the directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8814.059. OFFICERS. (a) After each directors' election, the board shall:

(1) hold a regular meeting at the district office; and
(2) organize by electing from the directors a president, a vice president, and a secretary.

(b) A person selected to serve as president, vice president, or secretary serves in that capacity for a two-year term.

(c) The president, vice president, and secretary shall perform the duties and may exercise the powers specifically provided by this chapter or by order of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.060. GENERAL MANAGER; SERVICE OF PROCESS. (a) The general manager shall execute a bond in the amount determined by the board, payable to the district, and conditioned on the faithful performance of the general manager's duties. The district shall pay for the bond.

(b) The general manager is entitled to receive the compensation provided by the district's budget.

(c) Service of process in a suit may be had by serving the general manager.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.061. TREASURER AND ATTORNEY. (a) The board may appoint a treasurer and an attorney for the district.

(b) The person appointed as treasurer shall execute a bond in the amount determined by the board, payable to the district, conditioned on the faithful performance of the treasurer's duties. The district shall pay for the bond.

(c) A person appointed under this section is entitled to the compensation provided by the district's budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
Sec. 8814.062. ENGINEER. The board may:
(1) appoint or contract with a competent professional engineer for the district; and
(2) determine the amount of compensation to be paid to the engineer.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.063. PERSONNEL. (a) The general manager or the board may:
(1) employ other persons necessary to properly handle the district's business and operation; and
(2) employ or contract with expert and specialized personnel who are necessary to carry out this chapter.
(b) The board shall determine the terms of employment and the compensation to be paid to employees described by this section.
(c) The district shall pay for any bond that an employee of or person under contract with the district is required to furnish under Section 36.057(d), Water Code.
(d) The general manager or the board may dismiss an employee of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.064. DISTRICT OFFICE. The board shall maintain an office in the district for conducting district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.065. MEETINGS. The board shall hold regular meetings at the district office on a date established by the board.
Sec. 8814.066.  RECORDS.  The board shall keep a complete written account of board meetings and other proceedings and shall preserve the board's minutes, contracts, records, plans, notices, accounts, receipts, and records in a secure manner at the district's office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER C.  POWERS AND DUTIES

Sec. 8814.101.  GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES.  Except to the extent of any conflict with this chapter or as specifically limited by this chapter, the district may exercise the powers granted by, and shall exercise the duties provided by, Chapter 36, Water Code, to carry out the purpose of the district and this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.102.  RULES.  (a)  The board may adopt rules necessary to carry out the purpose and powers under this chapter.

(b)  In addition to the rules adopted under Subsection (a), the board may adopt and enforce rules as provided by Chapter 36 and Subchapters H and I, Chapter 49, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.103.  EMINENT DOMAIN.  (a)  The district may exercise the power of eminent domain to acquire by condemnation a fee simple or other interest in property in the district if the property interest is necessary to the exercise of the authority conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, but the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.104. CERTAIN PERMIT DENIALS PROHIBITED. If the district regulates production of groundwater by permit as authorized by Chapter 36, Water Code, the board may not deny a permit to drill a well to the owner of land, or the owner's heirs, assigns, and lessees on that land, and the right to produce water from that well under rules adopted by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.105. CONTROL, STORAGE, AND PRESERVATION OF STORM AND FLOOD WATER. The district may control, store, and preserve the storm and flood water in the district and the water of the rivers and streams in the district for:

1. irrigation of arid land;
2. prevention of floods and flood damage in the district; and
3. domestic, agricultural, municipal, and industrial uses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.106. RECLAMATION. The district may:

1. reclaim land in the district; and
2. construct works, facilities, and improvements necessary to accomplish that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8814.107. SOIL CONSERVATION AND IMPROVEMENT. The district may construct and maintain terraces or other structures on land in the district and may engage in or promote land treatment measures for soil conservation and improvement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.108. ACQUISITION OF PROPERTY. The district may acquire land or other property necessary to carry out this chapter by:

(1) gift;
(2) devise;
(3) lease;
(4) purchase; or
(5) condemnation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.109. SALE AND DISPOSAL OF PROPERTY. Subject to this chapter and Chapter 36 and Subchapters H and I, Chapter 49, Water Code, the district may sell or otherwise dispose of land and other property of the district that is not necessary to carry out the purpose or powers of the district as determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.110. IMPROVEMENTS AND FACILITIES. (a) The district may construct or acquire and improve and maintain works, facilities, and improvements necessary to carry out the purpose, powers, and plans of the district.

(b) The district must construct and acquire works, facilities, and improvements in the manner provided by Chapter 49, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8814.111. INPUT WELLS. The district may drill, equip, operate, and maintain input wells, pumps, and other facilities to carry out its purpose and powers under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.112. APPEARANCE BEFORE RAILROAD COMMISSION. The district, through the directors or the district's general manager, may appear before the Railroad Commission of Texas and present evidence and information relating to a pending permit application for an injection well to be located in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.113. STUDIES AND SURVEYS. (a) The board may have a professional engineer conduct studies and surveys of the groundwater and surface water supplies in the district and the facilities available for use in the conservation, preservation, protection, recharge, and prevention of waste and pollution of those water resources.

(b) A professional engineer may determine the quantities of groundwater and surface water in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.114. RESEARCH; INFORMATION. The district may engage in research projects and shall develop information to be used by the district in preparing and implementing the district's plans and in carrying out the district's powers and duties under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8814.115. DISTRICT PLANS. (a) The district shall develop and implement comprehensive plans for the conservation, preservation, protection, recharge, and prevention of waste and pollution of groundwater and surface water in the district.

(b) The plans must include all works, facilities, and improvements necessary to implement the plans and the specifications for those works, facilities, and improvements.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8814.116. PAYMENT OF JUDGMENTS. A court of this state that renders a money judgment against the district may require the board to pay the judgment from money in the district depository that is not dedicated to the payment of any indebtedness of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

CHAPTER 8815. CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8815.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Central Harris County Regional Water Authority.

(2) "Board" means the board of directors of the authority.

(3) "Commission" means the Texas Commission on Environmental Quality or its successor.

(4) "Director" means a member of the board.

(5) "District" means any district created under Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution, regardless of the manner of creation, other than:

(A) a navigation district or port authority; or

(B) a district governed by Chapter 36, Water Code.

(6) "Groundwater reduction plan" means a plan adopted or implemented to supply water, reduce reliance on groundwater, regulate groundwater pumping and usage, or require and allocate water usage among persons in order to comply with or exceed requirements imposed by the subsidence district, including any applicable groundwater reduction requirements.
(7) "Local government" means a municipality, county, district, or other political subdivision of this state or a combination of two or more of those entities.

(8) "Member district" means each of the following conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution:

(A) Harris County Municipal Utility District No. 33;
(B) Harris County Municipal Utility District No. 150;
(C) Harris County Municipal Utility District No. 200;
(D) Harris County Municipal Utility District No. 205;
(E) Harris County Municipal Utility District No. 215;
(F) Harris County Municipal Utility District No. 217;
(G) Harris County Municipal Utility District No. 304;
(H) Harris County Municipal Utility District No. 399;
(I) Harris County Utility District No. 16;
(J) Fallbrook Utility District; and
(K) Rankin Road West Municipal Utility District.

(9) "Subsidence" means the lowering in elevation of the surface of land by the withdrawal of groundwater.

(10) "Subsidence district" means the Harris-Galveston Subsidence District.

(11) "System" means a network of pipelines, conduits, valves, canals, pumping stations, force mains, treatment plants, and any other construction, device, or related appurtenance used to treat or transport water.

(12) "Water" includes:

(A) groundwater, percolating or otherwise;
(B) any surface water, natural or artificial, navigable or nonnavigable; and
(C) industrial and municipal wastewater.

(13) "Well" includes a facility or device owned or partially owned by a member district and used to withdraw groundwater from a groundwater source inside or outside the boundaries of the authority for the purpose of supplying water to territory in the authority.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.014,
Sec. 8815.002. NATURE OF AUTHORITY. The authority is a regional water authority in Harris County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.003. CONFIRMATION ELECTION NOT REQUIRED. An election to confirm the creation of the authority is not required.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.004. AUTHORITY TERRITORY. (a) The initial territory of the authority consists of the combined territories of each of the member districts as of the effective date of the law creating this chapter, regardless of whether the territory contains noncontiguous parcels of land or whether the territory is located within the boundaries of any other governmental entity or political subdivision of this state.

(b) The authority may annex additional territory under Section 8815.006.

(c) Territory may be excluded from the authority under Section 8815.005.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.005. EXCLUSION OF CERTAIN TERRITORY. (a) On the mutual agreement of the board and the governing body of a member district, all of the land within that member district may be excluded from the authority.

(b) If a member district is excluded from the authority's boundaries under this section, the authority:
(1) is not required to provide water or any other service to the district; and

(2) is not required to include the district in any groundwater reduction plan adopted or implemented by the authority and may remove the district from any groundwater reduction plan adopted by the authority that includes the district.

(c) If a member district excluded from the authority's boundaries under this section petitions the authority to be annexed under Section 8815.006, the authority may annex the district. The authority may require, as a condition of annexation, terms and conditions the board considers appropriate. The authority may require the district to pay the authority the fees, user fees, charges, and special assessments, with interest, that, as determined by the authority, the district would have been charged by the authority if the district had not been excluded from the authority under this section.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.006. ANNEXATION. (a) Except to the extent the authority agrees in writing, a municipality's annexation of territory within the authority does not affect:

(1) the authority's powers inside or outside the annexed territory;

(2) the authority's boundaries or contracts; or

(3) the authority's ability to assess fees, user fees, rates, charges, or special assessments inside or outside the territory annexed by the municipality.

(b) Territory within the authority annexed by a municipality may be excluded from the authority under a written agreement between the authority and the municipality.

(c) Territory may be annexed to the authority, regardless of whether the territory is contiguous to the authority, as provided by Chapter 49, Water Code.

(d) In addition to the authority granted by Subsection (c), regardless of whether the territory is contiguous to the authority, the authority may annex all of the territory located within a district if the district files with the authority a petition
requesting the annexation signed by a majority of the members of the governing body of the district. The petition must include an accurate legal description of the boundaries of the district. If the authority has bonds, notes, or other obligations outstanding, the authority shall require the petitioning district to be obligated to pay its share of the principal of and interest on the outstanding bonds, notes, or other obligations, and related costs. The authority may also require the petitioning district to pay a portion of the expenses incurred by the member districts in connection with the organization, creation, and administration of the authority. The board may grant the petition and order the district annexed to the authority if:

(1) it is feasible, practicable, and to the advantage of the authority; and

(2) the authority's system and other improvements are sufficient or will be sufficient to supply surface water and groundwater to the added territory, if required under any groundwater reduction plan adopted and implemented by the authority, without harming the territory already included in the authority.

(e) Any territory that a member district annexes after the effective date of the Act creating this chapter becomes territory of the authority only on the adoption of an order or resolution by the board consenting to the inclusion of the additional territory within the authority. The authority by rule may require all member districts to send to the authority written notice of the effective date of an annexation and require the member districts to send to the authority copies of any necessary documents describing the annexed land and describing the member districts' boundaries and actual and projected water usage requirements as they exist after inclusion of the annexed land.

(f) The annexation to the authority of territory under this section does not affect the validity of the authority's bonds issued before or after the annexation.

(g) A municipality that annexes territory of the authority for limited purposes under Subchapter F, Chapter 43, Local Government Code, does not have the right to:

(1) receive notices from the authority under Section 8815.103(c);

(2) participate in the appointment of directors under Subchapter B; or
(3) receive information about or have the opportunity to fund its share of capital costs in the manner provided by the authority under Section 8815.104.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.007. APPLICABILITY OF OTHER LAW. (a) Except as otherwise provided by this chapter, Chapter 49, Water Code, applies to the authority.

(b) This chapter does not prevail over or preempt a provision of Chapter 36, Water Code, or Chapter 8801 of this code that is being implemented by the subsidence district.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8815.051. DIRECTORS; TERMS. (a) The authority is governed by a board of five directors.

(b) The directors serve staggered four-year terms that expire May 15 of even-numbered years.

(c) Each director must qualify to serve as director in the manner provided by Section 49.055, Water Code.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.052. ELIGIBILITY TO SERVE AS DIRECTOR. (a) To be eligible to serve as a director or to be listed on a ballot as a candidate for director, an individual must:

(1) be at least 18 years of age;
(2) be a resident of this state;
(3) own land in or be a qualified voter in the authority; and
(4) have served as a director of one or more districts for a total of at least two years.

(b) To be eligible to serve as a director representing a
director precinct or to be listed on a ballot as a candidate for
director representing a director precinct under Section 8815.055, in
addition to satisfying the requirements under Subsection (a), an
individual must own land or be a qualified voter within the director
precinct.

(c) A director serves until the director's successor has
qualified.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June
17, 2005.

Sec. 8815.053. DISQUALIFICATION OF DIRECTORS. The common law
doctrine of incompatibility does not disqualify an official or
employee of a public entity from serving as a director.
Notwithstanding any other law, a director may participate in all
votes and decisions pertaining to the business of the authority
except that a director who is also an officer or employee of a public
entity may not participate in the discussion of or vote on a matter
regarding a contract with that public entity.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June
17, 2005.

Sec. 8815.054. SINGLE-MEMBER DIRECTOR PRECINCTS. (a) The
authority is divided into three single-member director precincts as
follows:

(1) Director Precinct No. 1 includes the territory that is
contained in the following member districts: Harris County Municipal
Utility District No. 33, Fallbrook Utility District, Rankin Road West
Municipal Utility District, and Harris County Municipal Utility
District No. 215.

(2) Director Precinct No. 2 includes the territory that is
contained in the following member districts: Harris County Municipal
Utility District No. 150, Harris County Municipal Utility District
No. 217, and Harris County Municipal Utility District No. 304.

(3) Director Precinct No. 3 includes the territory that is
contained in the following member districts: Harris County Municipal
Utility District No. 200, Harris County Municipal Utility District
No. 205, Harris County Municipal Utility District No. 399, and Harris
County Utility District No. 16.

(b) The board may redraw the single-member director precincts in a manner that is reasonable and equitable:

(1) after any change in the boundaries of the authority; or
(2) by a resolution redrawing the director precincts adopted by a majority of the board based on changed circumstances.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.055. METHOD OF APPOINTMENT OF DIRECTORS. (a) One director is appointed from each of the three director precincts and two directors are appointed at large. Two directors from director precincts and one director at large shall be appointed in the first even-numbered year after the authority is created, and one director from a director precinct and one director at large shall be appointed in the next even-numbered year after the authority is created. Each subsequent even-numbered year, the appropriate number of directors shall be appointed.

(b) In the appropriate even-numbered year, the governing bodies of the member districts located within a director precinct jointly shall appoint one director to represent the precinct by a vote conducted as provided by this section. Each even-numbered year, the governing bodies of each member district shall appoint one director for an at-large position by a vote conducted as provided by this section.

(c) If a member district is located within two or more director precincts, the member district is considered, for purposes of this subchapter, to be located only within the director precinct in which the greatest amount of territory of the member district is located.

(d) For the appointment of a director for a director precinct, the board shall determine the number of votes each member district may cast. The number of votes for a governing body of a member district within the precinct is equal to the number computed by dividing the total number of units of water, as determined by the board, used within the member district during the calendar year preceding the year in which the director is selected by the total number of units of water used by all member districts in the precinct, multiplying that quotient by 100, and rounding that result
to the nearest one-tenth. The board shall provide the presiding officer of each governing body of a member district within each director precinct written notice of the number of votes computed for that governing body to cast.

(e) For the appointment of a director for an at-large position, the board shall determine the number of votes each member district may cast. The number of votes for a governing body of a member district is equal to the number computed by dividing the total number of units of water, as determined by the board, used within the member district during the calendar year preceding the year in which the director is selected by the total number of units of water used by all member districts in the authority, multiplying that quotient by 100, and rounding that result to the nearest one-tenth. The board shall provide the presiding officer of each governing body of a member district written notice of the number of votes computed for that governing body to cast.

(f) For purposes of Subsections (d) and (e), the board shall determine the amount of water usage of all member districts within each director precinct.

(g) In the appropriate even-numbered year, the governing body of each member district in a director precinct by resolution may nominate one candidate for the position of director for that director precinct. Each member district shall submit the name of its candidate, if any, to the presiding officer of the authority by February 15 of that year. If by February 15 of that year only one candidate’s name is submitted for the position of director for a director precinct, the board may declare the unopposed candidate elected and may cancel the director appointment procedures generally required by this section for that position. If more than one candidate’s name is submitted for the position of director for a director precinct, before March 15 of that year, the board shall prepare, for the director precinct or precincts from which a director is being appointed, a ballot listing all of the candidates for that director precinct and shall provide a copy of the appropriate ballot to the presiding officer of the governing body of each member district located within the director precinct or precincts from which a director is being appointed.

(h) The governing body of each member district in the authority by resolution may nominate one candidate for the at-large director position. Each member district shall submit the name of its
candidate, if any, to the presiding officer of the authority by
February 15 of each even-numbered year. If by February 15 of that
year only one candidate's name is submitted for the at-large director
position, the board may declare the unopposed candidate elected and
may cancel the director appointment procedures generally required by
this section for that position. If more than one candidate's name is
submitted for the at-large director position, before March 15 of that
year, the board shall prepare a ballot listing all of the candidates
for the at-large director position and shall provide a copy of the
ballot to the presiding officer of the governing body of each member
district.

(i) An individual may not be listed as a candidate on the
ballot for more than one director position. If a candidate is
nominated for more than one director position, the candidate must
choose to be on the ballot for only one director position.

(j) The governing body of each member district shall determine
its votes for director by resolution and submit them to the presiding
officer of the authority before May 1 of each even-numbered year. In
casting its votes for director, the governing body of each member
district may vote for only one candidate on the ballot for the
director precinct in which the member district is located and for one
candidate on the at-large position ballot. For each director
precinct from which a director is being appointed, the board shall
count the votes, declare elected the candidate who received the
greatest number of votes from member districts located within that
director precinct, and submit the results before May 15 of that year
to the governing body of each member district within that director
precinct. For the at-large position, the board shall count the
votes, declare elected the candidate who received the greatest number
of votes, and submit the results before May 15 of that year to the
governing body of each member district.

(k) The board may adopt rules regarding:

(1) the manner and timing of determinations and
computations required by this section;

(2) the reporting of water usage to the authority by member
districts; and

(3) the conduct and process of the appointment of
directors.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June
17, 2005.

Sec. 8815.056. VACANCY IN OFFICE OF DIRECTOR. A vacancy in the office of director for a director precinct shall be filled by appointment by the governing bodies of the member districts that are located within the director precinct for which the vacancy occurred. A vacancy in the office of director for an at-large position shall be filled by appointment by the governing bodies of all of the member districts. The appointment process shall follow the procedures of Section 8815.055. The board may establish dates different from those specified by Sections 8815.055(g) and (h), but the date for the board's submission of the voting results to each member district may not be later than the 120th day after the date the vacancy occurs.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.057. MEETINGS AND ACTIONS OF BOARD. (a) The board may meet as many times each year as the board considers appropriate.

(b) Directors are public officials and are entitled to governmental immunity for their actions in their capacity as directors and officers of the authority.

(c) Directors may receive fees of office and reimbursement of expenses as provided by Section 49.060, Water Code.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.058. GENERAL MANAGER. (a) The board may employ a general manager of the authority or contract with a person to perform the duties of a general manager. The board may delegate to the general manager full authority to manage and operate the affairs of the authority subject only to orders of the board.

(b) The board may delegate to the general manager the authority to employ all persons necessary for the proper handling of the business and operation of the authority and to determine the compensation to be paid to all employees, other than the general manager.
Sec. 8815.101. GENERAL POWERS AND DUTIES. (a) The authority may:

(1) provide for the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and for the reduction of groundwater withdrawals as necessary to develop, implement, or enforce a groundwater reduction plan, in a manner consistent with the purposes of Section 59, Article XVI, Texas Constitution, and facilitate compliance with subsidence district rules, orders, regulations, or requirements;

(2) acquire or develop surface water and groundwater supplies from sources inside or outside the boundaries of the authority, conserve, store, transport, treat, purify, distribute, sell, and deliver water to or among persons inside and outside the boundaries of the authority, and allocate water among persons participating in the authority's groundwater reduction plan whether they are located inside or outside the authority's boundaries;

(3) enter into contracts with persons inside or outside the authority on terms and conditions the board considers desirable, fair, and advantageous for the performance of its rights, powers, and authority under this chapter;

(4) coordinate water services provided inside, outside, or into the authority; and

(5) administer and enforce this chapter.

(b) The following laws do not apply to the authority:

(1) Chapter 36, Water Code;

(2) Section 49.052, Water Code; and

(3) Sections 49.451-49.455, Water Code.

(c) The authority has all the rights, powers, privileges, authority, functions, and duties necessary and convenient to accomplish the purposes of this chapter.

(d) The authority's rights, powers, privileges, authority, functions, and duties are subject to the continuing right of supervision of the state, to be exercised by and through the commission.
Sec. 8815.102. AUTHORITY RULES. The authority may adopt and enforce rules reasonably required to implement this chapter, including rules governing procedures before the board and rules regarding implementation, enforcement, and any other matters related to the authority's water supply or groundwater reduction plan.

Sec. 8815.103. FEES, USER FEES, RATES, AND CHARGES. (a) The authority may establish fees, user fees, rates, and charges and classifications of payers of fees and rates as necessary to enable the authority to fulfill the authority's purposes and regulatory functions provided by this chapter. The authority may impose fees, user fees, rates, and charges on any person within the authority.

(b) The authority may charge the owner of a well located within the authority's boundaries a fee or user fee according to the amount of water pumped from the well.

(c) The board shall make reasonable efforts to send member districts written notice of the date, time, and location of the meeting at which the board intends to adopt a proposed charge under Subsection (b) and the amount of the proposed charge. The board's failure to comply with this subsection does not invalidate a charge adopted by the board under Subsection (b).

(d) The board shall exempt from the charge under Subsection (b) classes of wells that are not subject to any groundwater reduction requirement imposed by the subsidence district. If any of those classes of wells become subject to a groundwater reduction requirement imposed by the subsidence district, the authority may impose the charge under Subsection (b) on those classes. The board by rule may exempt any other classes of wells from the charge under Subsection (b). The board may not apply the charge under Subsection
(b) to a well:
   (1) with a casing diameter of less than five inches that serves only a single-family dwelling; or
   (2) regulated under Chapter 27, Water Code.

(e) The authority may establish fees, user fees, rates, and charges that are sufficient to:
   (1) achieve water conservation;
   (2) prevent waste of water;
   (3) serve as a disincentive to pumping groundwater;
   (4) develop, implement, or enforce a groundwater reduction plan;
   (5) accomplish the purposes of this chapter, including making available alternative water supplies;
   (6) enable the authority to meet operation and maintenance expenses;
   (7) pay the principal of and interest on notes, bonds, and other obligations issued in connection with the exercise of the authority's general powers and duties; and
   (8) satisfy all rate covenants relating to the issuance of notes, bonds, and other obligations.

(f) The authority may charge rates established by the authority for water purchased from the authority.

(g) The authority may impose fees, user fees, or charges for the importation of water into the authority's boundaries from a source located outside the authority's boundaries.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.104. PURCHASE OF WATER FROM ANOTHER ENTITY. (a) If the authority purchases water from another entity for resale to local governments, the authority shall use its best efforts in negotiating with the entity to determine the amount of capital costs included in any rates or charges paid by the authority. The authority shall determine the amount of expected capital costs of its own system.

(b) The authority shall provide each member district information regarding the share of the capital costs to be paid by the member district, as determined by the authority, and shall provide each member district the opportunity, in a manner and by a
procedure determined by the authority, to fund its share of the capital costs with proceeds from the sale of bonds or fees and charges collected by the member districts. A member district may use any lawful source of revenue, including bond funds, to pay any sums due to the authority.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.105. ASSESSMENTS. (a) The board may undertake improvement projects and services that confer a special benefit on all or a definable part of the authority. The board may impose special assessments on property in that area, including property of a local government, based on the benefit conferred by the improvement project or services, to pay all or part of the cost of the project and services. The board may provide improvements and services to an area outside the boundaries of the authority if the board determines that there is a benefit to the authority. The authority may finance with special assessments any improvement project or service authorized by this chapter or any other applicable law.

(b) Services or improvement projects may be financed with special assessments under this chapter only after the board holds a public hearing on the advisability of the improvements and services and the proposed assessments.

(c) The board shall publish notice of the hearing in a newspaper or newspapers with general circulation in Harris County. The publication must be made not later than the 30th day before the date of the hearing.

(d) Notice provided under this section must include:
(1) the time and place of the hearing;
(2) the general nature of the proposed improvement project or services;
(3) the estimated cost of the improvement, including interest during construction and associated financing costs; and
(4) the proposed method of assessment.

(e) Written notice containing the information required by Subsection (d) shall be mailed by certified mail, return receipt requested, not later than the 30th day before the date of the hearing. The notice shall be mailed to each member district. The
subsidence district shall provide to the authority a list of the member districts that hold a well permit issued by the subsidence district.

(f) The board may establish rules regarding procedures for a hearing. A hearing on the services or improvement project, whether conducted by the board or a hearings examiner, may be adjourned from time to time. At the conclusion of a hearing conducted by the board, the board shall make written findings and conclusions relating to the advisability of the improvement project or services, the nature of the improvement project or services, the estimated cost, and the area benefited. If the board appoints a hearings examiner to conduct the hearing, after conclusion of the hearing, the hearings examiner shall file with the board a written report of the examiner's findings and conclusions.

(g) At a hearing on proposed assessments, on adjournment of the hearing, or after consideration of the hearings examiner's report, the board shall hear and rule on all objections to each proposed assessment. The board may amend proposed assessments for any property. After the board hears and takes action on those objections, the board, by order:

1. shall impose the assessments as special assessments on the property;
2. shall specify the method of payment of the assessments; and
3. may provide that those assessments, including interest, be paid in periodic installments.

(h) Periodic installments must be in amounts sufficient to meet annual costs for services and improvements as provided by Subsection (j) and continue for the number of years required to retire the indebtedness or pay for the services to be rendered. The board may provide interest charges or penalties for failure to make timely payment and may impose an amount to cover delinquencies and expenses of collection.

(i) If assessments are imposed for more than one service or improvement project, the board may provide that assessments collected for one service or improvement project may be borrowed to be used for another service or improvement project. The board shall establish a procedure for the distribution or use of any assessments in excess of those necessary to finance the services or improvement project for which those assessments were collected.
(j) The board shall apportion the cost of an improvement project or services to be assessed against the property in the authority according to the special benefits that accrue to the property because of the improvement project or services. The board may assess the cost only according to the number of gallons of groundwater pumped from wells within the authority that are subject to a groundwater reduction requirement imposed by the subsidence district. The board may not assess the cost according to groundwater pumped from:

(1) a well with a casing diameter of less than five inches that serves only a single-family dwelling; or
(2) a well that is regulated by Chapter 27, Water Code.

(k) The area of the authority to be assessed according to the findings of the board may be the entire authority or any part of the authority and may be less than the area proposed in the notice of the hearing.

(l) The area to be assessed may not include property that is not within the authority boundaries at the time of the hearing unless there is an additional hearing, following the required notice.

(m) Notwithstanding Subsection (l), the owner of land annexed to the authority after the authority has imposed assessments may waive the right to notice and an assessment hearing and may agree to the imposition and payment of assessments at an agreed rate for land annexed to the authority. A member district may waive the right to notice and an assessment hearing for land within its boundaries annexed to the authority and may agree to the imposition and payment of assessments at an agreed rate for the annexed land.

(n) The board shall have prepared an assessment roll showing the assessments against each property and the board's basis for the assessment. The assessment roll shall be:

(1) filed with the secretary of the board or other officer who performs the function of secretary; and
(2) open for public inspection.

(o) After notice and hearing in the manner required for an original assessment, the board may make supplemental assessments to correct omissions or mistakes in the assessment:

(1) relating to the total cost of the improvement project or services; or
(2) covering delinquencies or costs of collection.
Sec. 8815.106. INTEREST AND PENALTIES. The board may require the payment of interest on any late or unpaid fees, user fees, rates, charges, and special assessments due the authority, but the interest rate may not exceed the interest rate permitted by Section 2251.025, Government Code. The board may also impose penalties for the failure to make a complete or timely payment to the authority. In addition, the board may exclude a member district or other person, or any territory or well owned or controlled by a member district or other person, from the authority's groundwater reduction plan for failure to make a complete or timely payment to the authority.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.107. ADMINISTRATIVE PENALTY; CIVIL ACTION; INJUNCTION. (a) A person who violates a rule or order of the authority is subject to an administrative penalty of not more than $5,000, as determined by the board, for each violation or each day of a continuing violation. The person shall pay the penalty to the authority.

(b) The authority may bring an action in a district court against a member district or other district, other political subdivision, or other person located in the authority's territory or included in the authority's groundwater reduction plan to:

(1) recover any fees, rates, charges, assessments, collection expenses, attorney's fees, interest, penalties, or administrative penalties due the authority; or

(2) enforce the authority's rules or orders.

(c) The authority may bring an action for injunctive relief in a district court in the county where a violation of an authority rule or order occurs or is threatened to occur. The court may grant to the authority, without bond or other undertaking, a prohibitory or mandatory injunction that the facts warrant, including a temporary restraining order, temporary injunction, or permanent injunction.

(d) The authority may bring an action for an administrative
penalty and injunctive relief in the same proceeding.

(e) Governmental immunity from suit or liability of a district or other political subdivision is waived for the purposes of an action described by this section.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.
Amended by:
  Acts 2011, 82nd Leg., R.S., Ch. 244 (H.B. 960), Sec. 2, eff. June 17, 2011.
  Acts 2011, 82nd Leg., R.S., Ch. 244 (H.B. 960), Sec. 3, eff. June 17, 2011.

Sec. 8815.108. WATER SUPPLY OR DROUGHT CONTINGENCY PLANS. The authority by rule may develop, prepare, revise, adopt, implement, enforce, and manage comprehensive water supply or drought contingency plans for the authority, or any portion of the authority.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.109. GROUNDWATER REDUCTION PLAN. (a) Notwithstanding any other law, regardless of whether the authority enters into contracts with local governments located within its boundaries, and regardless of whether the authority holds any well permit issued by the subsidence district under Chapter 8801, the authority by rule may wholly or partly develop, prepare, revise, adopt, implement, enforce, manage, or participate in a groundwater reduction plan that is applicable only to the authority or a groundwater reduction plan that is applicable to the authority and one or more persons outside the authority. The authority may require that any groundwater reduction plan that the authority wholly or partly develops, prepares, revises, adopts, implements, enforces, or manages or in which the authority participates be the exclusive groundwater reduction plan that is binding and mandatory on some or all of the territory, member districts or other persons, or wells located within the authority. A groundwater reduction plan may:
  (1) specify the measures to be taken to reduce groundwater withdrawals;
(2) identify alternative sources of water to be provided to those affected;
(3) identify the rates, terms, and conditions under which alternative sources of water will be provided, which may be changed from time to time as considered necessary by the authority;
(4) specify the dates and extent to which member districts or other persons within the authority's boundaries shall reduce or cease reliance on groundwater and accept water from alternative sources;
(5) include other terms and measures that are consistent with the powers and duties of the authority;
(6) exceed the minimum requirements imposed by the subsidence district, including any applicable groundwater reduction requirements; and
(7) be amended from time to time at the discretion of the authority.
(b) Fees, user fees, rates, charges, and special assessments of the authority may be imposed under this chapter for a person's participation in and benefit derived from the authority's groundwater reduction plan or a groundwater reduction plan in which the authority participates.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.110. ACQUISITION, CONSTRUCTION, AND OPERATION OF SYSTEMS. (a) The authority may:
(1) acquire by purchase, gift, lease, contract, or any other legal means a water treatment or supply system, or any other works, plants, improvements, or facilities necessary or convenient to accomplish the purposes of the authority, or any interest of the authority, inside or outside the authority's boundaries;
(2) design, finance, operate, maintain, or construct a water treatment or supply system or any other works, plants, improvements, or facilities necessary or convenient to accomplish the purposes of the authority and provide water services inside or outside the authority's boundaries;
(3) lease or sell a water treatment or supply system or any other works, plants, improvements, or facilities necessary or
convenient to accomplish the purposes of the authority that the authority constructs or acquires inside or outside the authority's boundaries;

(4) contract with any person to operate or maintain a water treatment or supply system the person owns; or

(5) acquire water rights under any law or permit.

(b) Except as otherwise provided by this chapter, the provisions of Chapter 49, Water Code, pertaining to competitive bidding apply to the authority.

(c) The authority may contract, according to terms and conditions the board considers desirable, fair, and advantageous, with a person outside the authority's boundaries:

(1) to allow the person to be included in a groundwater reduction plan adopted or implemented wholly or partly by the authority or in a groundwater reduction plan in which the authority participates;

(2) to sell water to the person; or

(3) to sell the person available excess capacity or additional capacity of the authority's water treatment or supply system.

(d) The authority by rule may require that the plans and specifications of water lines to be constructed within the authority that are designed or intended to serve more than one member district or more than one person owning or holding a well permit issued by the subsidence district be approved by the authority before the commencement of construction of the water lines.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.111. SALE OR REUSE OF WATER OR BY-PRODUCT. The authority may store, sell, or reuse:

(1) water; or

(2) any by-product from the authority's operations.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.112. CONTRACTS. (a) The authority may enter into a
contract with a person for the performance of a purpose or function of the authority, including a contract to design, construct, finance, lease, own, manage, operate, or maintain works, improvements, facilities, plants, equipment, or appliances necessary to accomplish a purpose or function of the authority. A contract may be of unlimited duration.

(b) The authority may purchase, acquire, finance, or lease an interest in a project used for a purpose or function of the authority.

(c) The authority may contract for:
   (1) the purchase, sale, or lease of water or water rights;
   (2) the performance of activities within the powers of the authority through the purchase, construction, or installation of works, improvements, facilities, plants, equipment, or appliances; or
   (3) the design, construction, ownership, management, maintenance, or operation of any works, improvements, facilities, plants, equipment, or appliances of the authority or another person.

(d) The authority may purchase surplus property from this state, the United States, or another public entity through a negotiated contract without bids.

 Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.113. COOPERATION WITH AND ASSISTANCE OF OTHER GOVERNMENTAL ENTITIES. (a) In implementing this chapter, the board may cooperate with and request the assistance of the Texas Water Development Board, the commission, the United States Geological Survey, the subsidence district, other local governments, and other agencies of the United States and this state.

(b) The subsidence district may enter into an interlocal contract with the authority to carry out the authority's purposes and may carry out the governmental functions and services specified in the interlocal contract.

(c) The board shall endeavor to coordinate with the City of Houston to develop a plan for a system to distribute surface water in an economical and efficient manner to the authority.

(d) In an attempt to minimize costs associated with preparing a groundwater reduction plan, the board shall consider the usefulness
of water supply studies and plans prepared by or on behalf of the North Harris County Regional Water Authority, the West Harris County Regional Water Authority, the City of Houston, or other governmental entities to the extent those studies or plans are available and applicable to the authority.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.114. GIFTS AND GRANTS. The authority may accept a gift or grant from money collected by the subsidence district under Chapter 8801 to fund the construction, maintenance, or operation of a water treatment or supply system.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.115. EXPENDITURES. (a) The authority's money may be disbursed only by check, draft, order, federal reserve wire system, or other instrument or authorization.

(b) Disbursements of the authority must be signed by at least a majority of the directors. Notwithstanding any other law, the board by resolution may allow the general manager, treasurer, bookkeeper, or other employee of the authority to sign disbursements, except as limited by Subsection (c).

(c) The board by resolution may allow disbursements to be transferred by federal reserve wire system to accounts in the name of the authority without the necessity of any directors signing the disbursement. Disbursements of the authority's money by federal reserve wire system to any accounts not in the name of the authority must be signed by at least a majority of the directors.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

Sec. 8815.116. AD VALOREM TAXATION. The authority may not impose an ad valorem tax.
Sec. 8815.117. EMINENT DOMAIN. (a) The authority may acquire by condemnation any land, easements, or other property inside the authority's boundaries to further authorized purposes, powers, or duties of the authority. The authority may acquire by condemnation any land, easements, or other property outside the authority's boundaries for the purpose of pumping, storing, treating, or transporting water. When exercising the power of eminent domain granted by this section, the authority may elect to condemn either the fee simple title or a lesser property interest.

(b) The authority shall exercise the right of eminent domain in the manner provided by Chapter 21, Property Code. The authority is not required to give bond for appeal or bond for costs in a condemnation suit or other suit to which it is a party. The authority is not required to deposit more than the amount of an award in a suit.

(c) The authority may not use the power of eminent domain for the condemnation of land for the purpose of acquiring rights to groundwater or for the purpose of acquiring water or water rights.

(d) The authority may not use the power of eminent domain for the condemnation of property that is:

(1) owned by the City of Houston or any instrumentality of the City of Houston, including a local government corporation created under Chapter 431, Transportation Code, to aid or act on behalf of the City of Houston; or

(2) located within the municipal limits of the City of Houston.

(e) Notwithstanding Subsection (d)(2), and as limited by Subsection (a), the authority may use the power of eminent domain to acquire property that is not owned by the City of Houston that is within the municipal limits of the City of Houston if:

(1) the property is located in an area of the municipality that is less than 1,000 feet wide at its narrowest point; or

(2) the municipality grants permission for the condemnation.
Sec. 8815.118. CONSENT REQUIRED FOR SERVICE OUTSIDE OF AUTHORITY. (a) Notwithstanding any contrary provision of this subchapter, the authority must obtain the consent of the City of Houston before providing water service to any person or territory outside the boundaries of the authority.

(b) Subsection (a) does not apply to a person or territory that receives water service or has contracted to receive water service from a member district on the effective date of the Act creating this chapter.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. BONDS AND NOTES

Sec. 8815.151. REVENUE BONDS AND NOTES. (a) The authority may issue bonds or notes payable solely from revenue from any source, including:

(1) tolls, charges, rates, fees, user fees, and special assessments the authority imposes or collects;

(2) the sale of water, water services, water rights or capacity, water transmission rights or services, water pumping, or any other service or product of the authority provided inside or outside the boundaries of the authority;

(3) grants or gifts;

(4) the ownership or operation of all or a designated part of the authority's works, improvements, facilities, plants, or equipment; and

(5) contracts between the authority and any person.

(b) Notes issued by the authority may be first or subordinate lien notes at the board's discretion.

(c) In connection with any bonds or notes of the authority, the authority may exercise any power of an issuer under Chapter 1371, Government Code.

(d) The authority may conduct a public, private, or negotiated sale of the bonds or notes.

(e) The authority may enter into one or more indentures of
trust to further secure its bonds or notes.

(f) The authority may issue bonds or notes in more than one series as necessary to carry out the purposes of this chapter. In issuing bonds or notes secured by revenue of the authority, the authority may reserve the right to issue additional bonds or notes secured by the authority's revenue that are on a parity with or are senior or subordinate to the bonds or notes issued earlier.

(g) A resolution of the board authorizing the bonds or notes or a trust indenture securing the bonds or notes may specify additional provisions that constitute a contract between the authority and its bondholders or note holders.

(h) Bonds and notes may be additionally secured by deed of trust or mortgage on any or all of the authority's facilities.

(i) Sections 49.153, 49.154, and 49.181, Water Code, do not apply to bonds or notes issued by the authority. Commission rules regarding bonds or notes do not apply to bonds or notes issued by the authority.

Added by Acts 2005, 79th Leg., Ch. 656 (H.B. 3181), Sec. 1, eff. June 17, 2005.

CHAPTER 8816. CULBERSON COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8816.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Culberson County Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8816.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Culberson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8816.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8816.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 3, Chapter 1075, Acts of the 75th Legislature, Regular Session, 1997, as that territory may have been modified under:

(1) Subchapter J, Chapter 36, Water Code; or

(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8816.005. CONFLICTS OF LAW. (a) Except as otherwise provided by this chapter, if there is a conflict between this chapter and Chapter 36 or 49, Water Code, this chapter controls.

(b) If there is a conflict between Chapters 36 and 49, Water Code, Chapter 36 controls.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8816.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8816.052. ELECTION DATE. Every two years on the uniform election date in May, the appropriate number of directors shall be elected to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8816.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapters 36 and 49, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8816.102. CONTRACT FOR AND SALE AND DISTRIBUTION OF WATER. The district may contract for, sell, and distribute water from a water import authority or other entity.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

For contingent expiration of this chapter, see Sec. 8817.003.

CHAPTER 8817. SAN PATRICIO COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8817.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the San Patricio County Groundwater Conservation District.

Added by Acts 2005, 79th Leg., Ch. 1178 (H.B. 3568), Sec. 1, eff. June
Sec. 8817.002. NATURE OF DISTRICT. The district is a groundwater conservation district in San Patricio County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1178 (H.B. 3568), Sec. 1, eff. June 18, 2005.

Sec. 8817.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held before September 1, 2007:

(1) the district is dissolved on September 1, 2007, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to San Patricio County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires on September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 1178 (H.B. 3568), Sec. 1, eff. June 18, 2005.

Sec. 8817.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of San Patricio County, Texas.

Added by Acts 2005, 79th Leg., Ch. 1178 (H.B. 3568), Sec. 1, eff. June 18, 2005.

Sec. 8817.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.
Sec. 8817.006. CREATION OF AQUIFER STORAGE AND RECOVERY CONSERVATION DISTRICTS IN SAN PATRICIO COUNTY. (a) This chapter
does not preclude the creation of an aquifer storage and recovery
conservation district in San Patricio County.

(b) The district may not limit or restrict an aquifer storage
and recovery conservation district from recovering water stored by
the aquifer storage and recovery conservation district in a municipal
aquifer storage area located in the district.

(c) To the extent that the boundaries of the aquifer storage
and recovery conservation district and the district overlap, the
power and authority of the two districts are joint and coextensive.

Added by Acts 2005, 79th Leg., Ch. 1178 (H.B. 3568), Sec. 1, eff. June
18, 2005.

Sec. 8817.051. DIRECTORS; TERMS. (a) The district is governed
by a board of seven directors.

(b) Directors serve staggered four-year terms, with three or
four directors' terms expiring November 15 of each even-numbered
year.

(c) Newly elected permanent directors take office at the first
regular meeting of the board after the vote is canvassed.

(d) The board shall adopt rules and procedures for the
appointment of a permanent director to fill a vacancy or to complete
an unexpired term.

Added by Acts 2005, 79th Leg., Ch. 1178 (H.B. 3568), Sec. 1, eff. June
18, 2005.

Sec. 8817.052. ELECTION DATE. The district shall hold an
election to elect the appropriate number of directors on the uniform
election date prescribed by Section 41.001, Election Code, in
November of each even-numbered year.
Sec. 8817.053. METHOD OF ELECTING DIRECTORS: JUSTICE OF THE PEACE PRECINCTS. (a) The directors of the district shall be elected according to the precinct method as provided by this section.

(b) One director shall be elected by the voters of the entire district, and one director shall be elected from each justice of the peace precinct by the voters of that precinct.

(c) Except as provided by Subsection (e), to be eligible to be a candidate for or to serve as director at large, a person must be a registered voter in the district. To be a candidate for or to serve as director from a justice of the peace precinct, a person must be a registered voter of that precinct.

(d) A person shall indicate on the application for a place on the ballot:

1. the precinct that the person seeks to represent; or
2. that the person seeks to represent the district at large.

(e) When the boundaries of the justice of the peace precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Added by Acts 2005, 79th Leg., Ch. 1178 (H.B. 3568), Sec. 1, eff. June 18, 2005.

Sec. 8817.101. GENERAL POWERS AND DUTIES. Except as provided by Section 8817.006, the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8817.151. LIMITATION ON TAXES. The district may not levy ad valorem taxes at a rate that exceeds five cents on each $100 of assessed valuation of taxable property in the district.

CHAPTER 8818. HICKORY UNDERGROUND WATER CONSERVATION DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8818.001. DEFINITION. In this chapter, "district" means the Hickory Underground Water Conservation District No. 1.

Sec. 8818.002. ELECTION PROCEDURES. (a) Notwithstanding Section 61.012, Election Code, for an election held by the district, other than an election that is held jointly with another election in which a federal office appears on the ballot, the use of a voting station that meets the requirements for accessibility under 42 U.S.C. Section 15481(a)(3) is not required.

(b) The board of directors of the district shall notify the secretary of state if the district does not provide at least one voting station at each polling place used in the election that meets the requirements for accessibility under 42 U.S.C. Section 15481(a)(3).

CHAPTER 8819. PANOLA COUNTY GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8819.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Panola County Groundwater Conservation District.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Panola County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held on or before December 31, 2008, the district is dissolved on that date, except that:

(1) any debts incurred shall be paid;
(2) any assets that remain after the payment of debts shall be transferred to Panola County; and
(3) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Panola County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.
Sec. 8819.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8819.051. DIRECTORS; TERMS. (a) The district is governed by a board of nine directors.

(b) Directors serve staggered four-year terms, with four or five directors' terms expiring June 1 of each even-numbered year.

(c) A director may serve consecutive terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) The directors of the district shall be elected according to the commissioners precinct method as provided by this section.

(b) One director shall be elected by the voters of the entire district, and two directors shall be elected from each county commissioners precinct by the voters of that precinct.

(c) Except as provided by Subsection (e), to be eligible to be a candidate for or to serve as director at large, a person must be a registered voter in the district. To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

(d) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or

(2) that the person seeks to represent the district at large.

(e) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of
the change, shall serve in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in November of each even-numbered year.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Amended by:
Acts 2017, 85th Leg., R.S., Ch. 431 (S.B. 1479), Sec. 1, eff. September 1, 2017.

Sec. 8819.054. COMPENSATION. (a) Sections 36.060(a), (b), and (d), Water Code, do not apply to the district.

(b) A director is entitled to receive compensation of not more than $50 a day for each day the director actually spends performing the duties of a director. The compensation may not exceed $3,000 a year.

(c) The board may authorize a director to receive reimbursement for the director's reasonable expenses incurred while engaging in activities on behalf of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.055. BOARD ACTION. A majority vote of a quorum is required for board action. If there is a tie vote, the proposed action fails.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 8819.101.  GENERAL POWERS.  Except as otherwise provided by this chapter, the district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.102.  GROUNDWATER WELLS UNDER RAILROAD COMMISSION JURISDICTION.  (a)  Except as provided by this section, a groundwater well drilled or operated within the district under a permit issued by the Railroad Commission of Texas is under the jurisdiction of the railroad commission, and, in respect to such a well, the district has only the authority provided by Chapter 36, Water Code.

(b)  Groundwater produced in an amount authorized by a railroad commission permit may be used within or exported from the district without a permit from the district.

(c)  To the extent groundwater is produced in excess of railroad commission authorization, the holder of the railroad commission permit:

(1)  shall apply to the district for the appropriate permit for the excess production; and

(2)  is subject to the applicable regulatory fees.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.103.  PROHIBITION ON DISTRICT PURCHASE, SALE, TRANSPORT, OR DISTRIBUTION OF WATER.  The district may not purchase, sell, transport, or distribute surface water or groundwater for any purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.104.  PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN
POWERS. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.105. REGIONAL COOPERATION. (a) In this section, "designated groundwater management area" means an area designated as a groundwater management area under Section 35.004, Water Code.

(b) To provide for regional continuity, the district shall comply with the requirements of Section 36.108, Water Code, and:

(1) participate as needed in coordination meetings with other groundwater conservation districts in its designated groundwater management area;

(2) coordinate the collection of data with other groundwater conservation districts in its designated groundwater management area in such a way as to achieve relative uniformity of data type and quality;

(3) coordinate efforts to monitor water quality with other groundwater conservation districts in its designated groundwater management area, local governments, and state agencies;

(4) provide groundwater level data to other groundwater conservation districts in its designated groundwater management area;

(5) investigate any groundwater or aquifer pollution with the intention of locating its source;

(6) notify other groundwater conservation districts in its designated groundwater management area and all appropriate agencies of any groundwater pollution detected;

(7) annually provide to other groundwater conservation districts in its designated groundwater management area an inventory of water wells and an estimate of groundwater production in the district; and

(8) include other groundwater conservation districts in its designated groundwater management area on the mailing lists for district newsletters, seminars, public education events, news articles, and field days.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8819.151. LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds 1.5 cents on each $100 valuation of taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.152. FEES. (a) The board by rule may impose reasonable fees on each well:

(1) for which a permit is issued by the district; and
(2) that is not exempt from district regulation.

(b) A production fee may be based on:

(1) the size of column pipe used by the well; or
(2) the amount of water actually withdrawn from the well, or the amount authorized or anticipated to be withdrawn.

(c) The board shall base the initial production fee on the criteria listed in Subsection (b)(2). The initial production fee:

(1) may not exceed:
   (A) 25 cents per acre-foot for water used for agricultural irrigation; or
   (B) 6.75 cents per thousand gallons for water used for any other purpose; and
(2) may be increased at a cumulative rate not to exceed three percent per year.

(d) In addition to the production fee authorized under this section, the district may assess an export fee on groundwater from a well that is produced for transport outside the district.

(e) Fees authorized by this section may be:

(1) assessed annually;
(2) used to pay the cost of district operations; and
(3) used for any other purpose allowed under Chapter 36, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

Sec. 8819.153. LIMITATION ON INDEBTEDNESS. The district may issue bonds and notes under Subchapter F, Chapter 36, Water Code,
except that the total indebtedness created by that issuance may not exceed $500,000 at any time.

Added by Acts 2007, 80th Leg., R.S., Ch. 867 (H.B. 1498), Sec. 1, eff. June 15, 2007.

CHAPTER 8820.  NORTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8820.001.  DEFINITIONS.  In this chapter:
(1)  "Board" means the district's board of directors.
(2)  "Director" means a board member.
(3)  "District" means the Northern Trinity Groundwater Conservation District.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.

Sec. 8820.002.  NATURE OF DISTRICT.  The district is a groundwater conservation district in Tarrant County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.

Sec. 8820.003.  DISTRICT TERRITORY.  The boundaries of the district are coextensive with the boundaries of Tarrant County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.

Sec. 8820.004.  CONFIRMATION ELECTION NOT REQUIRED.  The board is not required to hold an election to confirm the district's creation.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8820.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.

Sec. 8820.052. APPOINTMENT OF DIRECTORS. (a) The Tarrant County Commissioners Court shall appoint one director from each of the four commissioners precincts in the county to represent the precinct in which the director resides.

(b) The county judge of Tarrant County shall appoint one director who resides in the district to represent the district at large.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8820.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.

Sec. 8820.102. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. REGULATION OF OTHER DISTRICTS

Sec. 8820.151. REGULATION OF WELLS IN ANOTHER DISTRICT. Except
as provided by this subchapter, the district may not regulate the drilling or equipping of, or the completion, operation, or production of, a well located in the district and in another conservation and reclamation district created under Section 59, Article XVI, Texas Constitution, and that on January 1, 2007:

(1) had statutory authority to require a person to obtain a permit before drilling, equipping, completing, altering, or operating a well in its boundaries; and

(2) had adopted rules to implement that statutory authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.

Sec. 8820.152. FEES ON WELLS IN ANOTHER DISTRICT. The district may assess to the owner or operator of a well located in a conservation and reclamation district described by Section 8820.151 a fee based on the amount of groundwater produced from the well in the same manner and at the same rate as other wells in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.

Sec. 8820.153. COORDINATION WITH OTHER DISTRICTS. (a) The district and any conservation and reclamation district described by Section 8820.151 shall meet to:

(1) coordinate the adoption of rules by each district to promote consistent planning and regulation; and

(2) develop procedures to ensure the expedited exchange of technical and regulatory information between the districts.

(b) The district and a conservation and reclamation district described by Section 8820.151 may enter into one or more agreements to implement this section, including an interlocal contract under Chapter 791, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.
SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8820.201. TAXES AND BONDS PROHIBITED. The district may not impose a tax or issue bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 1126 (H.B. 4028), Sec. 1, eff. June 15, 2007.

Sec. 8820.202. LIMITATION ON ASSESSMENT OF PRODUCTION FEES. A production fee assessed by the district on the amount of groundwater authorized by a permit to be withdrawn from a well or the amount of groundwater actually withdrawn may not exceed:

(1) $1 for each acre-foot of groundwater permitted for or used in a year solely for agricultural use; or

(2) 20 cents for each 1,000 gallons of groundwater permitted for or used in a year for any purpose other than agriculture.

Added by Acts 2011, 82nd Leg., R.S., Ch. 357 (H.B. 3818), Sec. 1, eff. June 17, 2011.

CHAPTER 8821. SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8821.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Southern Trinity Groundwater Conservation District.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1248 (S.B. 2513), Sec. 2, eff. June 19, 2009.

Sec. 8821.002. NATURE OF DISTRICT. The district is a groundwater conservation district in McLennan County created under and essential to accomplish the purposes of Section 59, Article XVI,
Texas Constitution. The district is located in a priority groundwater management area designated by the Texas Commission on Environmental Quality pursuant to Section 35.008, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.
Amended by:
    Acts 2009, 81st Leg., R.S., Ch. 1248 (S.B. 2513), Sec. 3, eff. June 19, 2009.

Sec. 8821.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of McLennan County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

Sec. 8821.005. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve the legislative intent and purposes of Chapter 36, Water Code. A power granted by Chapter 36, Water Code, or this chapter shall be broadly interpreted to achieve that intent and those purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

Sec. 8821.006. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8821.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.
    (b) Directors serve staggered four-year terms, with two or
three directors' terms expiring December 31 of each even-numbered year.

(c) A director may not serve more than three consecutive terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

Sec. 8821.052. APPOINTMENT OF DIRECTORS. (a) The McLennan County Commissioners Court shall appoint one director from each of the four commissioners precincts and one director to represent the district at large.

(b) Except as provided by Subsection (c), to be eligible to serve as director at large, a person must be a registered voter in the district. To serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

(c) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which appointed even though the change in boundaries places the person's residence outside the precinct for which the person was appointed.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8821.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, and Section 59, Article XVI, Texas Constitution, applicable to groundwater conservation districts.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

Sec. 8821.102. REGISTRATION AND REPORTING REQUIREMENTS FOR...
CERTAIN EXEMPT WELLS. The district may adopt rules that require the owner or operator of a well or class of wells exempt from permitting under Section 36.117, Water Code, to register the well with the district and, if the well is not exempt under Section 36.117(b)(1), Water Code, to report groundwater withdrawals from the well using reasonable and appropriate reporting methods and frequency.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

Sec. 8821.103. WELL SPACING RULES; EXEMPTIONS. (a) Except as provided by Subsection (b), the district shall exempt from the well spacing requirements adopted by the district any well that is completed on or before the effective date of those requirements.

(b) The district may provide by rule that a well may lose its exemption under this section if the well is modified in a manner that substantially increases the capacity of the well after the effective date of the well spacing requirements adopted by the district.

(c) Except as provided by this section, the district may require any well or class of wells exempt from permitting under Chapter 36, Water Code, to comply with the well spacing requirements adopted by the district. The district shall apply well spacing requirements uniformly to any well or class of wells based on the size or capacity of the well and without regard to the type of use of the groundwater produced by the well.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

Sec. 8821.104. ADOPTION OF RULES AND ISSUANCE OF PERMITS. Before the district adopts a management plan, the district may adopt rules and issue permits.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

Sec. 8821.105. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES. The district and another governmental entity, including a river authority
located in the district, may contract for the performance by that entity of a district function.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

Sec. 8821.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8821.151. REVENUE. To pay the maintenance and operating costs of the district and to pay any bonds or notes issued by the district, the district may:

(1) assess fees for services or for water withdrawn from nonexempt wells; or

(2) solicit and accept grants from any private or public source.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

Sec. 8821.152. DISTRICT REVENUES. (a) The district by rule, resolution, or order may establish, amend, pledge, encumber, expend the proceeds from, and assess to any person fees for services or production fees based on the amount of groundwater authorized by permit to be withdrawn from a well, or on the amount of water actually withdrawn, to enable the district to fulfill its purposes and regulatory functions as provided by this chapter. The district may use revenues generated by fees it assesses for any lawful purpose.

(b) Notwithstanding any provision of general law to the contrary, a fee authorized by Subsection (a) may not exceed:

(1) $1 per acre-foot annually for groundwater used for agricultural purposes; or

(2) 30 cents per thousand gallons annually for groundwater
used for nonagricultural purposes.

(c) Notwithstanding any provision of general law or this chapter to the contrary, if any, the district may assess a production fee under this section for groundwater produced from a well or class of wells exempt from permitting under Section 36.117, Water Code, except for a well exempt from permitting under Section 36.117(b)(1), Water Code. A production fee assessed by the district under this subsection must be based on the amount of groundwater actually withdrawn from the well and may not exceed the amount established by the district for permitted uses under Subsection (b)(2) of this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 1248 (S.B. 2513), Sec. 6, eff. June 19, 2009.

SUBCHAPTER E. DISSOLUTION

Sec. 8821.201. ELECTION FOR DISSOLUTION. (a) If the district has no outstanding bond or other long-term indebtedness, the district may be dissolved by a favorable vote of a majority of the registered voters of the district at an election held for that purpose.

(b) The board shall hold a dissolution election if the board receives a petition for dissolution signed by at least 50 percent of the registered voters in the district as computed by using the list of registered voters for McLennan County.

(c) If the district is dissolved under this section, the board shall:

(1) notify the Texas Commission on Environmental Quality and the secretary of state of the dissolution; and

(2) transfer title to any assets of the district to McLennan County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1345 (S.B. 1985), Sec. 1, eff. June 15, 2007.

For contingent expiration of this chapter, see Section 8823.003.
CHAPTER 8823. ARANSAS COUNTY GROUNDWATER
CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8823.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Aransas County Groundwater Conservation District.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

Sec. 8823.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Aransas County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

Sec. 8823.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held before September 1, 2019:
(1) the district is dissolved on September 1, 2019, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Aransas County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires on September 1, 2021.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

Sec. 8823.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of
Aransas County, Texas.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

Sec. 8823.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

For expiration of this subchapter, see Section 8823.026.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8823.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a) Not later than the 10th day after September 1, 2015, the Aransas County Commissioners Court shall appoint five temporary directors as follows:

(1) one temporary director shall be appointed from each of the four commissioner precincts in the county to represent the precinct in which the temporary director resides; and

(2) one temporary director who resides in the district shall be appointed to represent the district at large.

(b) If there is a vacancy on the temporary board of directors of the district, the remaining temporary directors shall select a qualified person to fill the vacancy. If, at any time, there are fewer than three qualified temporary directors, the Aransas County Commissioners Court shall appoint the necessary number of persons to fill all vacancies on the board.

(c) To be eligible to serve as a temporary director, a person must be a resident of Aransas County and at least 18 years of age.

(d) Temporary directors serve until the earlier of:

(1) the time the temporary directors become initial directors as provided by Section 8823.024; or

(2) the date the district is dissolved under Section 8823.003.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.
Sec. 8823.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 36.055, Water Code, a majority of the temporary directors shall convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. If an agreement on location cannot be reached, the organizational meeting shall be at the Aransas County Courthouse. At the meeting, the temporary directors shall elect a chair, vice chair, and secretary from among the temporary directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

Sec. 8823.023. CONFIRMATION ELECTION. (a) The temporary board shall order an election to be held on a uniform election date prescribed by Section 41.001, Election Code, in May of the first even-numbered year after the effective date of this Act to confirm the creation of the district.

(b) The ballot for the election must be printed to permit voting for or against the following proposition: "The creation of the Aransas County Groundwater Conservation District and the imposition of an ad valorem tax in the district at a rate not to exceed one cent for each $100 of assessed valuation."

(c) The temporary board may include any other proposition on the ballot that it considers necessary.

(d) Except as provided by this section, a confirmation election must be conducted as provided by Sections 36.017(b)-(i), Water Code, and the Election Code. The provision of Section 36.017(d), Water Code, relating to the election of permanent directors does not apply to a confirmation election under this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

Sec. 8823.024. INITIAL DIRECTORS. (a) If creation of the district is confirmed at an election held under Section 8823.023, the temporary directors of the district become the initial directors of
the district and serve on the board of directors until permanent directors are elected under Section 8823.025.

(b) The initial directors shall draw lots to determine which two directors serve until the first regularly scheduled election of directors under Section 8823.025 and which three directors serve until the second regularly scheduled election of directors under Section 8823.053.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

Sec. 8823.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On the uniform election date prescribed by Section 41.001, Election Code, in November of the first even-numbered year after the year in which the creation of the district is confirmed at an election held under Section 8823.023, an election shall be held in the district for the election of two directors to replace the initial directors who, under Section 8823.024(b), serve until that election.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

Sec. 8823.026. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2021.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8823.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

Sec. 8823.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS
(a) The directors of the district shall be elected according to the commissioners precinct method as provided by this section.

(b) One director shall be elected by the voters of the entire district, and one director shall be elected from each county commissioners precinct by the voters of that precinct.

(c) Except as provided by Subsection (e), to be eligible to be a candidate for or to serve as director at large, a person must be at least 18 years of age and a resident of the district. To be a candidate for or to serve as director from a county commissioners precinct, a person must be at least 18 years of age and a resident of that precinct.

(d) A person shall indicate on the application for a place on the ballot:
   (1) the precinct that the person seeks to represent; or
   (2) that the person seeks to represent the district at large.

(e) A person's eligibility to serve a term as director is not affected when the county commissioners precincts are redrawn after each federal decennial census to reflect population changes by a boundary change that:
   (1) removes the person's residence from the precinct the person serves; and
   (2) takes effect during the term for which the person was elected or appointed.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

Sec. 8823.053. ELECTION DATE. After the creation of the district is confirmed, the district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in November of each even-numbered year.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

Sec. 8823.054. VACANCIES. A vacancy on the board shall be
filled by appointment of the board until the next regularly scheduled directors' election. The person appointed to fill the vacancy shall serve only for the remainder of the unexpired term.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8823.101. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8823.151. LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds one cent on each $100 of assessed valuation of taxable property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 671 (H.B. 4207), Sec. 1, eff. September 1, 2015.

For contingent expiration of this chapter, see Section 8824.003.

CHAPTER 8824. COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8824.001. DEFINITIONS. In this chapter:

1) "Board" means the board of directors of the district.
2) "Director" means a member of the board.
3) "District" means the Colorado County Groundwater Conservation District.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

Sec. 8824.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Colorado County created under and essential to accomplish the purposes of Section 59, Article XVI,
Sec. 8824.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Colorado County, Texas, except that the district does not include any territory that is included in the boundaries of the Coastal Bend Groundwater Conservation District as of the effective date of the Act enacting this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

Sec. 8824.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8824.051. DIRECTORS; TERMS. (a) The district is governed by a board of seven directors.
(b) Directors serve staggered four-year terms.
(c) A director may serve only two full consecutive terms in the same position.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 1262 (S.B. 987), Sec. 1, eff. June 17, 2011.

Sec. 8824.052. METHOD OF ELECTING DIRECTORS. (a) Except as provided by Subsection (e), the directors of the district shall be elected as follows:

(1) the directors for positions 1 through 4 must reside in Colorado County Commissioners Precincts 1 through 4, respectively, and are elected by the voters of the applicable county commissioners precinct; and

(2) the directors for positions 5 through 7 must reside in Colorado County and are elected at large by the voters of the district.

(b) To be eligible to be a candidate for or to serve as a director, a person must be a registered voter.

(c) A person shall indicate on the application for a place on the ballot the position on the board to which the person seeks to be elected.

(d) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

(e) If territory is added to the district, the board shall change the method of electing directors as necessary to ensure that all district voters are fairly represented. A change in the method
of electing directors adopted by the board under this subsection shall be implemented at the next directors' election at which the change can be implemented consistently with the Election Code and federal law.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 1262 (S.B. 987), Sec. 2, eff. June 17, 2011.

Sec. 8824.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in November of each even-numbered year.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

Sec. 8824.054. DIVISION OF MUNICIPALITY. The provision of Section 36.059(b), Water Code, concerning the division of a municipal corporation among precincts does not apply to an election under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

Sec. 8824.055. COMPENSATION; REIMBURSEMENT. (a) Notwithstanding Section 36.060, Water Code, a director is not entitled to receive compensation for performing the duties of a director.

(b) The board may authorize a director to receive reimbursement for the director's reasonable expenses incurred while engaging in activities on behalf of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.
Sec. 8824.056. VACANCY. A vacancy in the office of director shall be filled by appointment of the board. The appointed director serves only for the remainder of the unexpired term to which the director was appointed.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8824.101. RESTRICTIONS ON GENERAL POWERS. Sections 36.103 and 36.104, Water Code, do not apply to the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

Sec. 8824.102. PROHIBITION ON REQUIRING METERING OF EXEMPT WELLS. The district may not require meters on wells exempt from permitting or regulation under Section 36.117, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

Sec. 8824.103. RIGHT TO ENTER LAND. (a) A district director or employee or a person who contracts with the district may enter private property on behalf of the district without obtaining the permission of the property owner only if:

(1) the purpose of the entry is to conduct an investigation of a violation of or enforce a district rule; and

(2) the property owner is provided reasonable notice before the property is entered.

(b) A district director or employee or a person who contracts with the district must obtain the permission of a property owner before entering private property on behalf of the district for any purpose other than the purposes described by Subsection (a)(1).

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.
Sec. 8824.104. WELL SPACING RULES; EXEMPTIONS. (a) Except as provided by Subsection (b), the district shall exempt from the well spacing requirements adopted by the district any well that is completed on or before the effective date of those requirements.

(b) The district may provide by rule that a well may lose its exemption under this section if the well is modified in a manner that substantially increases the capacity of the well after the effective date of the well spacing requirements adopted by the district.

(c) Except as provided by this section, the district may require any well or class of wells exempt from permitting under Chapter 36, Water Code, to comply with the well spacing requirements adopted by the district. The district shall apply well spacing requirements uniformly to any well or class of wells based on the size or capacity of the well and without regard to the type of use of the groundwater produced by the well.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

Sec. 8824.105. REGISTRATION AND REPORTING REQUIREMENTS FOR CERTAIN EXEMPT WELLS. The district may adopt rules that require the owner or operator of a well or class of wells exempt from permitting under Section 36.117, Water Code, to register the well with the district and, notwithstanding Section 8824.102, if the well is not exempt under Section 36.117(b)(1), Water Code, to report groundwater withdrawals from the well using reasonable and appropriate reporting methods and frequency.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

Sec. 8824.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.
Sec. 8824.151. DISTRICT REVENUE AND FEES. (a) To accomplish the regulatory goals of the district, pay the maintenance and operating costs of the district, and pay any bonds or notes issued by the district, the district may:

(1) impose ad valorem taxes at a rate not to exceed three cents on each $100 of assessed valuation of taxable property in the district;

(2) assess production fees as authorized by Section 36.205, Water Code;

(3) solicit and accept grants from any public or private source;

(4) assess an export fee on water exported from the district in an amount not to exceed 150 percent of the maximum wholesale water rate charged by the City of Houston; and

(5) assess other fees authorized under Chapter 36, Water Code.

(b) In determining a tax rate under Subsection (a)(1), the board shall take into consideration the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

Amended by:
Acts 2017, 85th Leg., R.S., Ch. 628 (H.B. 4291), Sec. 1, eff. June 12, 2017.
Acts 2017, 85th Leg., R.S., Ch. 628 (H.B. 4291), Sec. 2, eff. June 12, 2017.

Sec. 8824.152. GRANTS, GIFTS, AND DONATIONS. The district may solicit and accept grants, gifts, and donations from any public or private source.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. DISSOLUTION

Sec. 8824.201. SUBCHAPTER CUMULATIVE. The provisions of this subchapter are cumulative of the provisions of Subchapter I, Chapter 36, Water Code.
Sec. 8824.202. DISSOLUTION BY ELECTION. (a) After January 1, 2016, the board shall order an election on the question of dissolving the district if the board receives a petition requesting that an election be held for that purpose that is signed by at least 15 percent of the district's registered voters.

(b) Not later than the 30th day after the date the board receives the petition, the directors shall:

(1) validate the signatures on the petition; and
(2) if the signatures are validated, order an election on the next uniform election date under Section 41.001, Election Code.

(c) The order calling the election must state the nature of the election, including the proposition that is to appear on the ballot.

Sec. 8824.203. NOTICE OF ELECTION. Notice of an election under this subchapter must be provided by posting a copy of the order calling the election in at least one conspicuous place for at least 10 days before the day of the election:

(1) at the Colorado County Courthouse;
(2) in each Colorado County commissioners precinct; and
(3) in the cities of Columbus, Eagle Lake, and Weimar.

Sec. 8824.204. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Colorado County Groundwater Conservation District."

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.
Sec. 8824.205. ELECTION RESULTS; DISPOSITION OF ASSETS. If a majority of the votes in an election under this subchapter favor dissolution:

(1) the board shall find that the district is dissolved; and

(2) Section 36.310, Water Code, applies for the purpose of disposition of the district's assets.

Added by Acts 2007, 80th Leg., R.S., Ch. 953 (H.B. 4032), Sec. 1, eff. June 15, 2007.

CHAPTER 8825. BLUEBONNET GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8825.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Bluebonnet Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.002. NATURE OF DISTRICT. (a) The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The purpose of this chapter is to create a locally controlled district to:

(1) protect and recharge groundwater;

(2) prevent pollution or waste of groundwater;

(3) control subsidence caused by withdrawal of water from the groundwater reservoirs in the area; and

(4) regulate the transport of water out of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Austin, Grimes, Walker, and Waller Counties, unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8825.051. COMPOSITION OF BOARD. The district is governed by a board of not fewer than 8 or more than 20 directors appointed as provided by Section 8825.053.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.052. TERMS. (a) Directors serve staggered four-year terms.

(b) A director may serve consecutive terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.053. APPOINTMENT OF DIRECTORS. (a) The commissioners courts of the counties in the district, if the district has two to five counties, shall each appoint four directors, of whom:
(1) one must represent municipal interests;
(2) one must represent agricultural interests;
(3) one must represent industrial interests; and
(4) one must represent rural water suppliers' interests.
(b) If the district consists of one county, the commissioners court of that county shall appoint eight directors, of whom:
(1) two must represent municipal interests;
(2) two must represent agricultural interests;
(3) two must represent industrial interests; and
(4) two must represent rural water suppliers' interests.
(c) Every two years after the date on which all initial directors qualified as required by Section 36.055, Water Code, the appropriate commissioners courts shall each appoint the appropriate number of directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.054. BOARD VACANCY. (a) If there is a vacancy on the board, the commissioners court that appointed the director who vacated the office shall appoint a director to serve the remainder of the term.
(b) In making the appointment, the commissioners court shall appoint a director to represent the interest of the director who vacated the office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.055. COMPENSATION; EXPENSES. (a) A director is not entitled to receive compensation for serving as a director.
(b) A director may be reimbursed for actual reasonable expenses incurred in discharging official duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.056. VOTE REQUIRED FOR BOARD ACTION. A majority vote
of a quorum of the board is required for board action. If there is a tie vote, the proposed action fails.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8825.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.102. LIMITATIONS ON DISTRICT POWERS. The district does not have the authority granted by:

(1) Section 36.105, Water Code, relating to eminent domain; and

(2) Sections 36.020 and 36.201-36.204, Water Code, relating to taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.103. REGISTRATION, EQUIPMENT, AND MAINTENANCE OF EXEMPTED WELLS; APPLICABILITY OF FEES. (a) A well exempted under Section 36.117(a) or (b), Water Code, may be:

(1) registered in accordance with rules adopted by the district; and

(2) equipped and maintained in accordance with Section 36.117(h)(2), Water Code.

(b) The district may require the driller of a well exempted as provided by Subsection (a) to file the drilling log with the district.

(c) Groundwater withdrawn from an exempted well and
subsequently transported outside the boundaries of the district is subject to all applicable production and export fees imposed under Sections 8825.105 and 8825.106.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.104. CERTAIN PERMIT DENIALS PROHIBITED. The district may not deny the owner of a tract of land, or the owner's lessee, who does not have a well equipped to produce more than 25,000 gallons each day on the tract, either a permit to drill a well on the tract or the privilege to produce groundwater from the tract, subject to any rules of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.105. PERMIT FEES. (a) The board by rule may impose a reasonable fee on each well that is not exempt from regulation by the district and for which a permit is issued by the district.

(b) The fee may be based on:

(1) the size of column pipe used by the well; or

(2) the actual, authorized, or anticipated amount of water to be withdrawn from the well.

(c) The fee may not exceed:

(1) $1 for each acre-foot payable annually for water used for agricultural use; or

(2) 17 cents for each thousand gallons for water used for any other purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.106. ADDITIONAL FEE; SURCHARGE. In addition to a fee imposed under Section 8825.105, the district may impose a reasonable fee or surcharge for an export fee using one of the following methods:

(1) a fee negotiated between the district and the
transporter; or

(2) a combined production and export fee not to exceed 17 cents for each thousand gallons for water used.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.107. ANNUAL ASSESSMENT AND USE OF FEES. A fee imposed under Section 8825.105 or 8825.106 may be:

(1) assessed annually; and

(2) used to fund the costs of district operations.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.108. MITIGATION ASSISTANCE. In addition to the authority granted by Chapter 36, Water Code, the district may assist in the mediation between landowners regarding the mitigation of a loss of existing groundwater supply of exempt domestic and livestock users due to the groundwater pumping of others.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8825.109. COORDINATION WITH OTHER ENTITIES. The district may:

(1) coordinate activities with the Central Carrizo-Wilcox Coordinating Council and appoint a nonvoting representative to the Central Carrizo-Wilcox Coordinating Council; and

(2) coordinate activities with the Harris-Galveston Subsidence District or other groundwater conservation districts to manage portions of the Gulf Coast Aquifer.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.015, eff. September 1, 2013.
CHAPTER 8826. BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8826.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Brazoria County Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8826.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Brazoria County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8826.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8826.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Brazoria County, Texas, unless the district's territory has been modified under:
(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
SUBCHAPTER B.  BOARD OF DIRECTORS

Sec. 8826.051.  COMPOSITION OF BOARD;  TERMS.  (a)  The district is governed by a board of five directors.
(b)  Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8826.052.  ELECTION OF DIRECTORS.  (a)  Directors are elected according to the commissioners precinct method as provided by this section.
(b)  One director is elected by the voters of the entire district.  One director is elected from each county commissioners precinct by the voters of that precinct.
(c)  A person shall indicate on the application for a place on the ballot:
(1) the precinct that the person seeks to represent; or
(2) that the person seeks to represent the district at large.
(d)  When the boundaries of the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, a director in office on the effective date of the change, or elected or appointed before the effective date of the change to a term of office beginning on or after the effective date of the change, shall serve the term or the remainder of the term in the precinct to which elected or appointed even though the change in boundaries places the director's residence outside the precinct for which the director was elected or appointed.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8826.053.  ELECTION DATE.  On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.
Sec. 8826.054. ELIGIBILITY. (a) To be eligible to be a candidate for or to serve as director at large, a person must be a registered voter in the district.

(b) To be eligible to be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct, except as provided by Section 8826.052(d).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8826.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by Section 8826.102, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8826.102. LIMITATIONS ON DISTRICT POWERS. The district may not:

1. impose a tax of any type;
2. exercise the power of eminent domain;
3. acquire land;
4. issue or sell bonds; or
5. purchase, sell, transport, or distribute surface water or groundwater.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
Sec. 8826.103. WELLS EXEMPT FROM REGULATION. (a) For a new or existing water well on private property that serves only a single-family dwelling used only for domestic purposes, the district may not:

(1) assess or collect a fee of any type; or

(2) require that a meter be placed on the well.

(b) For a new or existing water well used only for agriculture, as that term is defined by Section 36.001, Water Code, the district may not:

(1) assess or collect a fee of any type; or

(2) require that a meter be placed on the well.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8826.151. FEES. Unless exempt under this chapter or Chapter 36, Water Code, the board may establish by schedule and impose:

(1) a production fee based on the amount of groundwater authorized by permit to be withdrawn from a well or the amount of groundwater actually withdrawn from a well in an amount not to exceed 17 cents per thousand gallons;

(2) an export fee for groundwater transferred out of the district in an amount not to exceed 150 percent of the maximum wholesale water rate charged by the City of Houston; and

(3) other fees as authorized by Chapter 36, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.021(b), eff. September 1, 2011.
Sec. 8827.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commissioners court" means the Brewster County Commissioners Court.
(3) "Director" means a board member.
(4) "District" means the Brewster County Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8827.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Brewster County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8827.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8827.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Brewster County unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8827.005. DISTRICT NAME CHANGE. The board by resolution may change the name of the district if the district annexes territory.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8827.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of seven directors appointed by the commissioners court.

(b) The board is composed of:

(1) three directors who represent the municipalities or population centers of Alpine, Lajitas, Marathon, Study Butte, and Terlingua;

(2) three directors who represent the rural part of Brewster County, exclusive of the municipalities or population centers of Alpine, Lajitas, Marathon, Study Butte, and Terlingua; and

(3) one director who represents Brewster County at large.

(c) A director described by Subsection (b)(1) must reside in or in the immediate area of a municipality or population center listed in that subsection.

(d) At least one director must reside in each county commissioners precinct.

(e) Directors serve staggered three-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8827.052. APPOINTMENT OF DIRECTORS. The commissioners court shall appoint a director to succeed a director on or before the date the director's term expires.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8827.053. BOARD VACANCY. If there is a vacancy on the board, the commissioners court shall appoint a director to serve the
Sec. 8827.054. COMPENSATION; EXPENSES. A director may not receive a salary or other compensation for service as a director but may be reimbursed for actual expenses of attending meetings at the rate in effect for employees of Brewster County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8827.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8827.102. LIMITATIONS ON DISTRICT POWERS RELATING TO REAL PROPERTY. Notwithstanding other law:

(1) the district may not exercise the power of eminent domain; and

(2) an agent or employee of the district may not enter private property without the permission of the landowner or the landowner's agent except to inspect a permitted well and to ensure compliance with district rules.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8827.103. GROUNDWATER TRANSFER RESTRICTIONS AND FEES. (a) The district may limit and impose fees on the transfer of groundwater...
out of the district if, after public notice and a hearing and in accordance with district rules, the district finds that restrictions or fees on transfer are in the district's best interests.

(b) In making the determination under Subsection (a), the district shall consider:

(1) the availability of water in the district and in the receiving area during the period for which the proposed water transfer is requested;

(2) the availability of feasible and practicable alternative supplies to the applicant proposing the transfer;

(3) the amount and proposed use of the transferred water in the receiving area;

(4) the projected effect of the proposed transfer on aquifer conditions, depletion, or subsidence or effects on existing permit holders or other groundwater users within the district;

(5) the projected environmental and economic effects on the district; and

(6) the compatibility of the proposed transfer with the approved regional plan and certified district management plan.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

CHAPTER 8828. CLEAR FORK GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8828.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Clear Fork Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8828.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Fisher County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 8828.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Sec. 8828.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Fisher County, Texas, unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Sec. 8828.005. DISTRICT NAME CHANGE. The board may change the district's name when the district annexes territory.

Sec. 8828.006. CONFLICTS OF LAW. (a) Except as otherwise provided by this chapter, if there is a conflict between this chapter and Chapter 36 or 49, Water Code, this chapter controls.

(b) If there is a conflict between Chapters 36 and 49, Water Code, Chapter 36 controls.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8828.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8828.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method as provided by this section.

(b) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.

(c) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or

(2) that the person seeks to represent the district at large.

(d) At the first election of the district after the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, a new director is elected from each precinct. The directors shall draw lots to determine which two directors shall serve two-year terms and which two directors shall serve four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8828.053. ELECTION DATE. The district shall hold an election in the district to elect directors on the uniform election date in May of each even-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8828.054. QUALIFICATIONS FOR OFFICE. (a) To be qualified to be a candidate for or to serve as director at large, a person must
be a registered voter in the district.

(b) To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8828.055. BOARD VACANCY. (a) The board shall appoint a replacement to fill a vacancy in the office of any director.

(b) The appointed replacement serves until the next directors' election.

(c) If the position is not scheduled to be filled at the next election, the person elected to fill the position serves only for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8828.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8828.102. NO EMINENT DOMAIN POWER. The district does not have the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8828.151. DISTRICT REVENUE. To pay the district's maintenance and operating costs, the district may:

(1) impose an ad valorem tax at a rate not to exceed five cents for each $100 of taxable value of property in the district;
(2) assess general production fees;
(3) solicit and accept grants from any public or private source; and
(4) assess a transfer fee on water exported from the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

CHAPTER 8829. COASTAL BEND GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8829.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Coastal Bend Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8829.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Wharton County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8829.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
Sec. 8829.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Wharton County, Texas, unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Sec. 8829.005. DISTRICT NAME CHANGE. The board may change the district's name when the district annexes territory.

Sec. 8829.006. CONFLICTS OF LAW. (a) Except as otherwise provided by this chapter, if there is a conflict between this chapter and Chapter 36 or 49, Water Code, this chapter controls.

(b) If there is a conflict between Chapters 36 and 49, Water Code, Chapter 36 controls.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8829.051. COMPOSITION OF BOARD; TERMS. (a) Except as provided by Section 8829.056(b), the district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.
Sec. 8829.052. ELECTION OF DIRECTORS. (a) Except as provided by Section 8829.056, this section and Sections 8829.053 and 8829.054 govern the election and qualifications of directors.

(b) Directors are elected according to the commissioners precinct method as provided by this section.

(c) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.

(d) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or

(2) that the person seeks to represent the district at large.

(e) At the first election after the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, a new director is elected from each precinct. The directors shall draw lots to determine which two directors shall serve two-year terms and which two directors shall serve four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8829.053. ELECTION DATE. (a) The district shall hold an election in the district to elect directors on the first Tuesday after the first Monday in November of each even-numbered year.

(b) The district shall hold elections for the directors for:

(1) Precincts 1 and 3 every four years after 2004; and

(2) Precincts 2 and 4 and the district at large every four years after 2002.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8829.054. QUALIFICATIONS FOR OFFICE. (a) To be qualified to be a candidate for or to serve as director at large, a person must be a registered voter in the district.

(b) To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that
Sec. 8829.055.  BOARD VACANCY.  (a)  The board shall appoint a replacement to fill a vacancy in the office of any director.

(b)  The appointed replacement serves until the next directors' election.

(c)  If the position is not scheduled to be filled at the next election, the person elected to fill the position serves only for the remainder of the unexpired term.

Sec. 8829.056.  COMPOSITION OF BOARD AND ELECTION OF DIRECTORS FOLLOWING ANNEXATION.  (a)  If the district annexes territory, the board of directors of the district by resolution shall adopt an appropriate and equitable method for:

(1) electing directors for the district;

(2) drawing voting district boundaries if required by the method adopted; and

(3) maintaining staggered terms for the directors.

(b)  If the district annexes territory, the board by resolution may add one or more directors as provided by Section 36.051, Water Code.

(c)  If the board votes to add a director to represent annexed territory under Subsection (b), at an election to ratify annexation under Section 36.328, Water Code, the board may include on the ballot the names of candidates for director to represent the annexed territory on the board.  A director elected under this subsection serves until an election is held under Subsection (d).

(d)  A method of electing directors adopted under Subsection (a):

(1) supersedes the method of electing directors provided by Sections 8829.052-8829.054; and

(2) applies beginning with the election held on the first date provided by Section 8829.053 that:
(A) occurs after the date the annexation of the territory is final; and

(B) allows sufficient time to comply with any requirements of law.

(e) The method of electing directors provided by Sections 8829.052-8829.054 applies until an election is held under Subsection (d).

(f) To be eligible to be a candidate for or to serve as a director of the district under this section, a person must:

(1) be a registered voter of the district; and

(2) comply with each requirement stated in a resolution adopted under Subsection (a).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8829.057. REVISION OF VOTING DISTRICTS. (a) The board may revise voting districts as necessary or appropriate.

(b) If the board adopts a method for electing directors based on voting districts, the board shall revise each district after each federal decennial census to reflect population changes.

(c) When the boundaries of the voting districts are redrawn, a director serving on the effective date of the change, or elected or appointed before the effective date of the change to a term of office beginning on or after the effective date of the change, serves the term or the remainder of the term in the district to which elected or appointed even though the change in district boundaries places the person's residence outside the district for which the person was elected or appointed.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8829.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the rights, powers, duties, privileges, and functions provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under
Sec. 8829.102. REGIONAL COOPERATION. (a) In recognition of the need for uniform regional monitoring and regulation of common, scientifically recognized groundwater sources, and within designated management areas, the district shall establish rules that:

(1) require the permitting of each water well that is:
   (A) not exempted from permitting by Chapter 36, Water Code; and
   (B) capable of producing more than 25,000 gallons each day;

(2) provide for the prevention of waste, as defined by Section 36.001, Water Code;

(3) provide for timely capping or plugging of abandoned wells; and

(4) require reports to be filed with the district on each new, nonexempt water well.

(b) A report required under Subsection (a)(4) must include:

(1) the driller's log;

(2) a description of the casing and pumping equipment installed;

(3) the capacity of the well; and

(4) the intended use of the water.

(c) To further regional continuity, the district shall:

(1) seek to participate in at least one coordination meeting annually with each adjacent district that shares an aquifer with the district;

(2) coordinate the collection of data with adjacent districts in a manner designed to achieve uniformity of data quality;

(3) coordinate efforts to monitor water quality with adjacent districts, local governments, and state agencies;

(4) investigate any groundwater pollution with the intention of locating its source and report its findings to adjacent districts and appropriate state agencies;

(5) provide to adjacent districts annually an inventory of new water wells in the district and an estimate of groundwater
production within the district; and

(6) include adjacent districts on the mailing lists for
district newsletters, seminars, public education events, news
articles, and field days.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
eff. April 1, 2011.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.022, eff. September 1, 2011.

SUBCHAPTER D.  FINANCIAL PROVISIONS

Sec. 8829.151. DISTRICT REVENUE AND FEES. To accomplish the
regulatory goals of the district, and to pay the district's
maintenance and operating costs, the district may:

(1) impose an ad valorem tax at a rate not to exceed five
cents for each $100 of taxable value of property in the district;
(2) assess production fees as authorized by Section 36.205,
Water Code;
(3) solicit and accept grants from any public or private
source;
(4) assess an export fee on water exported from the
district in an amount not to exceed 150 percent of the maximum
wholesale water rate charged by the City of Houston; and
(5) assess other fees authorized by Chapter 36, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
eff. April 1, 2011.
Amended by:
Acts 2015, 84th Leg., R.S., Ch. 62 (H.B. 3858), Sec. 1, eff. May
22, 2015.

For contingent expiration of this chapter, see Section 8830.003.

CHAPTER 8830.  UPPER TRINITY GROUNDWATER
CONSERVATION DISTRICT

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8830.001.  DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
"Director" means a member of the board.

"District" means the Upper Trinity Groundwater Conservation District.


Sec. 8830.002. NATURE OF DISTRICT; FINDINGS. (a) The district is a groundwater conservation district in Hood, Montague, Parker, and Wise Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is created to serve a public use and benefit.

(c) All of the land and other property included within the boundaries of the district will be benefited by the works and projects that are to be accomplished by the district under powers conferred by this chapter and by Chapter 36, Water Code.

(d) Any fees imposed by the district under this chapter are necessary to pay for the costs of accomplishing the purposes of the district, including the conservation and management of groundwater resources, as provided by this chapter and Section 59, Article XVI, Texas Constitution.


Sec. 8830.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8830.023 before September 1, 2009:

(1) the district is dissolved on September 1, 2009, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred in equal amounts to Hood, Montague, Parker, and Wise Counties; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.
Sec. 8830.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Hood, Montague, Parker, and Wise Counties.

Sec. 8830.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Sec. 8830.006. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve the legislative intent and purposes of Chapter 36, Water Code. A power granted by Chapter 36, Water Code, or this chapter shall be broadly interpreted to achieve that intent and those purposes.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8830.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of eight directors appointed as follows:

(1) two directors appointed by the Hood County Commissioners Court;
(2) two directors appointed by the Montague County Commissioners Court;
(3) two directors appointed by the Parker County Commissioners Court; and
(4) two directors appointed by the Wise County Commissioners Court.
(b) Directors serve staggered four-year terms, with the term of one director from each of the four counties expiring on June 1 of each odd-numbered year.

(c) A director may serve multiple consecutive terms.


Sec. 8830.052. DIRECTOR ELIGIBILITY; QUALIFICATION. (a) To be eligible to serve as a director, a person must be a registered voter in the appointing county.

(b) Each director must qualify to serve in the manner provided by Section 36.055, Water Code.


Sec. 8830.053. VACANCIES. If a vacancy occurs on the board, the remaining directors shall appoint a person to fill the vacancy in a manner that meets the representational requirements of Section 8830.051.


Sec. 8830.054. COMPENSATION; REIMBURSEMENT. (a) Notwithstanding Sections 36.060(a) and (d), Water Code, a director may not receive compensation for performing the duties of director.

(b) A director is entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district.


**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8830.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND
DUTIES. Except as provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, and Section 59, Article XVI, Texas Constitution, applicable to groundwater conservation districts.


Sec. 8830.102. CONTRACTS. The district may enter into a contract with any person, public or private, for any purpose authorized by law.


Sec. 8830.103. APPLICABILITY OF DISTRICT REGULATIONS. Groundwater regulation under this chapter applies to all persons except as exempted under Section 36.117, Water Code, or this chapter.


Sec. 8830.104. WELL SPACING RULES; EXEMPTIONS. (a) Except as provided by Subsection (b), the district shall exempt from the well spacing requirements adopted by the district any well that is completed on or before the effective date of those requirements.

(b) The district may provide by rule that a well may lose its exemption under this section if the well is modified in a manner that substantially increases the capacity of the well after the effective date of the well spacing requirements adopted by the district.

(c) Except as provided by this section and notwithstanding Section 8830.103, the district may require any well or class of wells exempt from permitting under Chapter 36, Water Code, to comply with the well spacing requirements adopted by the district. The district shall apply well spacing requirements uniformly to any well or class of wells based on the size or capacity of the well and without regard to the type of use of the groundwater produced by the well.
Sec. 8830.105. REGISTRATION AND REPORTING REQUIREMENTS FOR CERTAIN EXEMPT WELLS. The district may adopt rules that require the owner or operator of a well or class of wells exempt from permitting under Section 36.117, Water Code, to register the well with the district and, except for a well exempt from permitting under Subsection (b)(1) of that section, to report groundwater withdrawals from the well using reasonable and appropriate reporting methods and frequency.


Sec. 8830.106. ENFORCEMENT. (a) The district may enforce this chapter in the manner provided by Chapter 36, Water Code. In lieu of a remedy available to the district under Section 36.102, Water Code, or in addition to those remedies, the district may impose a fee in addition to a fee assessed under Section 8830.152 on a person producing groundwater in violation of a rule of the district, including the failure or refusal to comply with any order or rule of the district to reduce or cease groundwater usage. The purpose of a fee authorized under this subsection is to serve as a disincentive to producing groundwater except as authorized by the district.

(b) A fee imposed under Subsection (a) may not exceed an amount equal to 10 times the amount of a fee assessed under Section 8830.152.


Sec. 8830.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8830.151. TAXES PROHIBITED. The district may not impose a tax. Sections 36.020(a) and 36.201-36.204, Water Code, do not apply to the district.


Sec. 8830.152. DISTRICT REVENUES. (a) The district by rule, resolution, or order may establish, amend, pledge, encumber, expend the proceeds from, and assess to any person production fees based on the amount of groundwater authorized by permit to be withdrawn from a well or on the amount of water actually withdrawn, to enable the district to fulfill its purposes and regulatory functions as provided by this chapter. The district may use revenues generated by fees it assesses for any lawful purpose.

(b) Notwithstanding any provision of general law to the contrary, a fee authorized by Subsection (a) may not exceed:

(1) $1 per acre-foot annually for groundwater used for agricultural purposes; or

(2) 30 cents per thousand gallons annually for groundwater used for nonagricultural purposes.

(c) Notwithstanding any provision of general law or this chapter to the contrary, if any, the district may assess a production fee under this section for groundwater produced from a well or class of wells exempt from permitting under Section 36.117, Water Code. A production fee assessed by the district under this subsection must be based on the amount of groundwater actually withdrawn from the well and may not exceed the amount established by the district for permitted uses under Subsection (b)(2).

(d) Notwithstanding Section 36.1071(f), Water Code, the district by rule, resolution, or order before the adoption of its management plan may:

(1) establish, assess, and enforce the collection of production fees under this section; and

(2) establish and enforce metering and reporting requirements, except for a well exempt from permitting under Section 36.117(b)(1), Water Code.

(e) The district by rule may establish a temporary or permanent
discounted fee rate for persons who prepay production fees to the
district under this section on or before the dates established by
district rule.

Added by Acts 2007, 80th Leg., R.S., Ch. 1343 (S.B. 1983), Sec. 1,

Sec. 8830.153. EXEMPTION FROM PRODUCTION FEES FOR GROUNDWATER
USED FOR CERTAIN EMERGENCY PURPOSES. (a) In this section, "involved
entity" means:

(1) a fire department or emergency services district that
uses groundwater produced within the boundaries of the district; or
(2) a person that provides groundwater produced within the
boundaries of the district to a fire department or emergency services
district.

(b) Groundwater produced within the boundaries of the district
for use by a fire department or emergency services district solely
for emergency purposes is exempt from the assessment of any
production fees that would otherwise be required under a district
rule, resolution, or order adopted under Section 8830.152.

(c) For purposes of this section, emergency purposes include
the use of groundwater:

(1) to fight fires, manage chemical spills, and otherwise
address emergency public safety or welfare concerns; and
(2) for training exercises conducted in preparation for
responding to fires, chemical spills, and other emergency public
safety or welfare concerns.

(d) The district may adopt rules to implement this section that
require each involved entity to report to the district using
reasonable and appropriate reporting methods established by the
district:

(1) the total quantity of groundwater produced or used, as
applicable, for all purposes by the involved entity during each month
of the reporting period;
(2) the quantity of groundwater produced or used, as
applicable, for emergency purposes during each month of the reporting
period; and
(3) the quantity of groundwater produced or used, as
applicable, for any purpose other than for emergency purposes during
each month of the reporting period.

(e) The production fee exemption provided by Subsection (b) does not apply to groundwater produced for a purpose other than for emergency purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 390 (H.B. 1664), Sec. 1, eff. June 19, 2009.

CHAPTER 8831. COASTAL PLAINS GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8831.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Coastal Plains Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8831.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Matagorda County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8831.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8831.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Matagorda County, Texas, unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8831.005. CONFLICTS OF LAW. The following provisions prevail over a conflicting or inconsistent provision of this chapter:

(1) Sections 36.1071-36.108, Water Code;
(2) Sections 36.159-36.161, Water Code; and
(3) Subchapter I, Chapter 36, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.023, eff. September 1, 2011.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8831.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of seven directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8831.052. ELECTION OF DIRECTORS. (a) Three directors are elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct. The directors elected from precincts 1-4 occupy positions 1-4, respectively, on the board. The at-large directors occupy positions 5-7, respectively, on the board.

(b) A person shall indicate on the application for a place on the ballot the position on the board for which the person is a candidate.

(c) At the first election after the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, each director in office on the effective date of the
change, or elected to a term of office beginning on or after the effective date of the change, shall serve, unless otherwise removed as provided by law, in the position to which each was elected for the entire term to which elected, even though the change in boundaries places the director's residence outside the precinct from which the director was elected.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8831.053. ELECTION DATE. Each even-numbered year, the board shall hold an election in the district on a uniform election date provided by Section 41.001(a), Election Code, to elect the appropriate number of directors. If the board changes the election date, the district shall adjust the terms of office to conform to the new election date.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8831.054. ELIGIBILITY. (a) To be eligible to be a candidate for or to serve as a director at large, a person must be a registered voter of the district.

(b) To be eligible to be a candidate for or to serve as a director from a county commissioners precinct, a person must be a registered voter of that precinct, except as provided by Section 8831.052(c).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8831.055. BOARD VACANCY. (a) The board shall appoint a replacement to fill a vacancy in the office of director.

(b) The appointed replacement serves until the next directors' election.

(c) At that election, a person is elected to fill the position. If the position is not scheduled to be filled at the election, the person elected to fill the position serves only for the remainder of
the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8831.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8831.102. REGIONAL COOPERATION. To provide for uniformity across districts in addressing the need to achieve a common approach to managing the underlying aquifer and to ensure that administration of the district will be cost-effective, the district shall:

1. attempt to coordinate meetings with adjacent districts;
2. encourage sharing of personnel and resources to achieve administrative cost savings;
3. study a common approach for collecting and sharing appropriate data to be used in managing the aquifer;
4. support cooperation in the investigation of aquifer contamination; and
5. include adjacent districts on mailing lists for district meeting announcements, newsletters, public meetings, and other scheduled events.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8831.151. DISTRICT REVENUE AND FEES. To accomplish the regulatory goals of the district, to pay the district's maintenance and operating costs, and to pay any bonds issued by the district, the
district may:

(1) impose an ad valorem tax at a rate not to exceed 2.5 cents for each $100 of taxable value of property in the district, subject to voter approval;

(2) assess production fees as authorized by Section 36.205, Water Code;

(3) solicit and accept grants from any public or private source; and

(4) assess:
   (A) an export fee on groundwater exported from the district in an amount not to exceed 150 percent of the maximum wholesale water rate charged by the City of Houston; and
   (B) other fees authorized by Chapter 36, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 529 (H.B. 1421), Sec. 1, eff. June 16, 2015.

CHAPTER 8832. MESQUITE GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8832.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Mesquite Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.016, eff. September 1, 2013.

Sec. 8832.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution, to provide for the conservation, preservation, protection, recharge, and prevention of waste of the groundwater reservoirs located under district land, consistent with the objectives of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8832.003. DISTRICT TERRITORY. The district includes the territory in Collingsworth County and any territory annexed by the district under Section 8832.055 or other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8832.004. DISTRICT NAME CHANGE. The board by resolution may change the district's name.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8832.051. COMPOSITION OF BOARD; TERMS. (a) Except as provided by Section 8832.055, the district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8832.052. ELECTION OF DIRECTORS. (a) The district is divided into five numbered single-member districts for electing directors.

(b) The board may revise the single-member districts as necessary or appropriate.

(c) One director is elected from each single-member district. A director elected from a single-member district represents the residents and property owners of that single-member district.

(d) Board elections are conducted according to Sections 36.017(b)-(h), Water Code, and the Election Code.
Sec. 8832.053. ELECTION DATE. A board election shall be held on a uniform election date in each even-numbered year.

Sec. 8832.054. QUALIFICATIONS FOR ELECTION; ELIGIBILITY TO SERVE. (a) To be qualified for election as a director, a person must be:

(1) a resident of the district; and
(2) at least 18 years of age.

(b) To represent a single-member district, a director must own property in that single-member district.

Sec. 8832.055. COMPOSITION OF BOARD AND ELECTION OF DIRECTORS FOLLOWING ANNEXATION. (a) Territory may be added to the district as provided by Chapter 36, Water Code.

(b) If the district annexes territory, the board may:

(1) add the annexed territory to one or more existing single-member districts for purposes of electing directors;
(2) redraw the five single-member districts to include the annexed territory; or
(3) add additional single-member districts for the election of additional directors.

(c) The district may not contain more than 11 single-member districts.
Sec. 8832.101. GENERAL POWERS AND DUTIES. The district may exercise:

(1) the powers essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and

(2) the rights, powers, duties, privileges, and functions provided by this chapter, Chapter 36, Water Code, and other laws of this state relating to groundwater conservation districts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8832.102. ADMINISTRATIVE PROCEDURES. Except as provided by this chapter, the administrative and procedural provisions of Chapter 36, Water Code, apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8832.103. WELL PERMITS. (a) As permitted by Chapter 36, Water Code, the district may:

(1) require a permit for drilling, equipping, or completing a well in a groundwater reservoir in the district; and

(2) issue a permit that includes terms relating to drilling, equipping, or completing a well that are necessary to prevent waste or conserve, preserve, and protect groundwater.

(b) The district may not deny an owner of land, or the owner's heirs, assigns, and lessees, a permit to drill a well on that land or the right to produce groundwater from that well subject to rules adopted under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8832.104. WELL SPACING AND PRODUCTION. To minimize as far as practicable the drawdown of the water table or the reduction of the artesian pressure, the district as permitted by Chapter 36, Water Code, may provide for the spacing of wells producing from the groundwater reservoirs in the district and regulate the production
from those wells.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8832.105. LOGS. As permitted by Chapter 36, Water Code, the district may require that:

(1) accurate driller's logs be kept of the drilling, equipping, and completion of a well into a groundwater reservoir in the district; and

(2) a copy of a driller's log and of any electric log that may be made of the well be filed with the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8832.106. SURVEYS. As permitted by Chapter 36, Water Code, the district may have a licensed engineer survey the groundwater of a groundwater reservoir in the district and the facilities for the development, production, and use of that groundwater and determine the quantity of the groundwater available for production and use and the improvements, developments, and recharges needed for the groundwater reservoir.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8832.107. RESEARCH AND DETERMINATIONS REGARDING GROUNDWATER WITHDRAWAL. As permitted by Chapter 36, Water Code, the district may carry out research projects, develop information, and determine limitations, if any, that should be made on the withdrawal of groundwater from a groundwater reservoir in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8832.108. COLLECTION AND PRESERVATION OF INFORMATION. As
permitted by Chapter 36, Water Code, the district may collect and preserve information regarding the use of groundwater and the practicability of recharge of a groundwater reservoir in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8832.109. CONTRACT FOR SALE AND DISTRIBUTION OF WATER. As permitted by Chapter 36, Water Code, the district may contract for, sell, and distribute water from a water import authority or other agency.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8832.151. FINANCIAL RECORDS. (a) The district shall file with the county treasurer of each county in which the district is located a copy of each audit, board order, or other document relating to district finances. The copy shall be filed not later than the 60th day after the date the audit is completed, the order is adopted, or the other document is finalized.

(b) The county treasurer shall maintain a copy of each audit, order, or other document at the county treasurer's main office and shall make the copies available for public inspection during regular office hours.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

CHAPTER 8833. GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8833.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Guadalupe County Groundwater Conservation District.
Sec. 8833.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Guadalupe County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8833.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Sec. 8833.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 3, Chapter 1066, Acts of the 75th Legislature, Regular Session, 1997, as that territory may have been modified under:
(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8833.051. COMPOSITION OF BOARD; SINGLE-MEMBER DISTRICTS; TERMS. (a) The district is governed by a board of seven directors elected from single-member districts determined by the Guadalupe County Commissioners Court.
(b) Section 36.059(b), Water Code, does not apply to the
district.
   (c) Directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8833.052. ELECTION DATE. On the uniform election date in November of each odd-numbered year, the district shall hold an election in the district to elect the appropriate number of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8833.053. QUALIFICATIONS FOR ELECTION. To be qualified to be elected as a director, a person must be a registered voter in the single-member district that the person would represent.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8833.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by Section 8833.102, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapters 36 and 49, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8833.102. LIMITATIONS ON DISTRICT POWERS. The district may not impose:
   (1) a tax; or
   (2) a fee on a well used exclusively for domestic or livestock watering purposes.
Sec. 8834.001. DEFINITIONS. In this chapter:

(1) "Agricultural crop":
   (A) means food or fiber commodities that are grown for resale or commercial purposes and that are to be used for food, clothing, or animal feed; and
   (B) includes nursery products and florist items that are in the possession of a nursery grower.

(1-a) "Beneficial use" means any use that is useful or beneficial to the user, including:
   (A) an agricultural, gardening, domestic, stock raising, municipal, mining, manufacturing, industrial, commercial, or recreational use, or a use for pleasure purposes; or
   (B) exploring for, producing, handling, or treating oil, gas, sulfur, or other minerals.

(2) "Board" means the district's board of directors.

(3) "Commission" means the Texas Commission on Environmental Quality.

(4) "District" means the Fort Bend Subsidence District.

(4-a) "Florist item" means a cut flower, a potted plant, a blooming plant, an inside foliage plant, a bedding plant, a corsage flower, cut foliage, a floral decoration, or live decorative material.

(5) "Groundwater" means water existing below the earth's surface in the district. The term does not include water produced with oil in the production of oil and gas.

(5-a) "Nursery grower" means a person who grows in any medium more than 50 percent of the nursery products or florist items that the person sells or leases. A person grows a nursery product or florist item if the person cultivates or propagates the product or item by engaging in activities associated with the production or multiplying of stock, including the development of new plants from cuttings, grafts, plugs, or seedlings. The term does not include a person who merely holds or maintains a nursery product or florist item before sale or lease.
"Nursery product" includes a tree, shrub, vine, cutting, graft, scion, grass, bulb, or bud that is grown or kept for, or capable of, propagation and distribution for sale or lease.

"Regional water supplier" means a political subdivision of this state that has:

(A) the authority to conserve, store, transport, treat, distribute, sell, and deliver water to any person; and
(B) an approved groundwater reduction plan.

"Subsidence" means the lowering in elevation of the surface of land by groundwater withdrawal.

"Waste" means:

(A) groundwater withdrawal from a groundwater reservoir at a rate and in an amount that causes or threatens to cause intrusion into the reservoir of water unsuitable for agricultural, gardening, domestic, or stock raising purposes;

(B) groundwater withdrawal from a groundwater reservoir through a well if the water withdrawn is not used for a beneficial use or if the amount used is more than is reasonably required for a beneficial use;

(C) escape of groundwater from a groundwater reservoir to any other reservoir or geologic strata that does not contain groundwater;

(D) pollution or harmful alteration of groundwater in a groundwater reservoir by saltwater or other harmful matter admitted from another stratum or from the surface of the ground;

(E) unless the discharge is authorized by a permit, rule, or order issued by the commission under Chapter 26, Water Code, wilfully or negligently causing, suffering, or allowing groundwater to escape or flow:

(i) into a river, creek, natural watercourse, depression, lake, reservoir, drain, sewer, street, highway, road, or road ditch; or

(ii) onto land that does not belong to the owner of the well;

(F) unless the occupant of the land receiving the discharge granted permission for the discharge, the escape of groundwater pumped for irrigation as irrigation tailwater onto land that does not belong to the owner of the well; or

(G) wilfully causing or knowingly permitting the water withdrawn from an artesian well to run off the owner's land or to
percolate through the stratum above which the water is found, as prescribed by Section 11.205, Water Code.

(7-a) "Water conservation" means a measure that seeks to make a water supply available for alternative or future use. The term includes best management practices, improved efficiency or accountability, recycling, reuse, pollution prevention, and reduction in consumption, loss, or waste.

(8) "Well" means a facility, device, or method used to withdraw groundwater.

(8-a) "Well owner" means a person who has an ownership interest in a well, operates a well, owns land on which a well is located, or owns the water withdrawn or to be withdrawn from a well.

(9) "Withdrawal" means the act of extracting by pumping or another method.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 200 (S.B. 1811), Sec. 1, eff. May 25, 2013.

Sec. 8834.002. NATURE OF DISTRICT. The district is:
   (1) a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution; and
   (2) a political subdivision of the state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.003. PURPOSE; LEGISLATIVE INTENT. (a) The purpose of this chapter is to provide for the regulation of groundwater withdrawal in the district to prevent subsidence, which contributes to or precipitates flooding or overflow in the district, including rising water resulting from a storm or hurricane.

(b) The legislature intends that the district administer and enforce this chapter and exercise the district's rights, powers, and duties in a manner that will effectively and expeditiously accomplish the purposes of this chapter.
Sec. 8834.004. FINDINGS OF PUBLIC USE AND BENEFIT. The district is created to serve a public use and benefit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.005. DISTRICT TERRITORY. The district includes the territory in Fort Bend County unless the district's territory has been modified under other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.006. CERTAIN OTHER STATUTES INAPPLICABLE. (a) Other laws governing the administration or operation of a conservation and reclamation district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, including Chapters 36 and 49, Water Code, do not apply to the district.

(b) Notwithstanding Section 36.052, Water Code, this chapter prevails over any other law in conflict or inconsistent with this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 200 (S.B. 1811), Sec. 2, eff. May 25, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8834.051. DIRECTORS. (a) The district is governed by a board of 15 directors appointed as provided by this section.

(b) Directors serve two-year terms.

(c) A director must be a qualified voter of the district.

(d) The persons designated by Subsections (e), (f), (g), and
(h) shall appoint directors in January to fill vacancies caused by the expiration of directors' terms. The district shall mail notice regarding the necessity of an appointment to the persons designated by Subsections (e), (f), (g), and (h) not later than the 20th day before the date of the board's January meeting.

(e) The mayor of each of the following municipalities shall appoint a director from the mayor's respective municipality:
   (1) Houston;
   (2) Missouri City;
   (3) Stafford;
   (4) Sugar Land;
   (5) Rosenberg; and
   (6) Richmond.

(f) The Commissioners Court of Fort Bend County shall appoint:
   (1) two directors who represent agricultural interests and live in an unincorporated area;
   (2) two directors who represent industrial interests; and
   (3) two directors who represent business interests.

(g) The mayors of Fort Bend County municipalities other than those listed in Subsection (e) shall appoint one director jointly.

(h) The board of directors of the North Fort Bend Water Authority shall appoint two directors.

(i) The directors shall serve staggered terms as follows:
   (1) five members appointed under Subsection (e) and four members appointed under Subsection (f) shall serve terms expiring on January 1 of odd-numbered years; and
   (2) one member appointed under Subsection (e), two members appointed under Subsection (f), one member appointed under Subsection (g), and two members appointed under Subsection (h) shall serve terms expiring on January 1 of even-numbered years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 201 (S.B. 1825), Sec. 1, eff. May 25, 2013.

Sec. 8834.052. BOARD POWERS AND DUTIES. (a) The board has all powers necessary or convenient to carry out its responsibilities and
accomplish the purpose of this chapter, whether the powers are specifically authorized by this chapter or are implied by this chapter or other law.

(b) The board shall administer this chapter as provided by Section 8834.003.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.053. OFFICIAL BOARD ACTIONS. The affirmative vote of a majority of the directors is required for any official board action.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.054. DIRECTOR'S BOND. (a) A director shall execute a bond that is:

(1) for $5,000;
(2) payable to the district; and
(3) conditioned on the faithful performance of the director's duties.

(b) The district shall pay for the bond.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.055. OFFICERS. (a) Each year, at the first meeting after the new directors take office, the directors shall select a chair, a vice chair, and a secretary.

(b) An officer selected under Subsection (a) serves at the will of the board and may be removed and replaced by a majority of the board at any time.

(c) The chair shall preside over meetings of the board. If the chair is not present, the vice chair shall preside.

(d) The secretary shall ensure that all records and books of the district are properly kept and attest to the chair's signature on all documents. The board may authorize another director, the general
manager, or any employee or contractor to execute documents on behalf of the district and to certify the authenticity of any record of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 200 (S.B. 1811), Sec. 3, eff. May 25, 2013.

Sec. 8834.056. MEETINGS. (a) The board shall hold regular meetings at a time set by the board.
   (b) The board may hold a special meeting at the call of the chair or on the written request of at least three directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 200 (S.B. 1811), Sec. 4, eff. May 25, 2013.

Sec. 8834.057. APPLICABILITY OF OPEN MEETINGS LAW. (a) The board shall give notice of board meetings as provided by Chapter 551, Government Code. Failure to provide notice of a regular meeting or an insubstantial defect in notice of any meeting does not affect the validity of any action taken at the meeting.
   (b) A meeting of a committee of the board is not subject to Chapter 551, Government Code, if less than a quorum of the board is present at the meeting.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 200 (S.B. 1811), Sec. 5, eff. May 25, 2013.

Sec. 8834.058. COMPENSATION AND REIMBURSEMENT OF DIRECTORS. (a) A director is entitled to receive fees of office of not more
than $150 a day for each day the director is engaged in the exercise of the director's duties. The fees of office may not exceed $9,000 a year.

(b) A director is entitled to receive reimbursement for actual expenses reasonably and necessarily incurred in the exercise of the director's duties under this chapter.

(c) To receive fees of office and reimbursement for expenses, a director must file with the district a verified statement that:
   (1) shows the number of days spent in the service of the district; and
   (2) provides a general description of the duties performed for each day of service.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.059. VACANCIES. If a vacancy occurs on the board, the person or persons designated by Section 8834.051 to appoint a director for the position that is vacated shall appoint a director to serve the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.060. DISTRICT POLICIES. The board shall adopt the following written policies:
   (1) a code of ethics for district directors, officers, and employees and for persons engaged in handling investments for the district;
   (2) a policy relating to travel expenditures;
   (3) a policy relating to district investments;
   (4) policies and procedures for the selection, monitoring, or review and evaluation of professional services; and
   (5) policies that ensure a better use of management information, including the use of:
      (A) budgets to plan and control cost; and
      (B) uniform reporting requirements based on "Audits of State and Local Governmental Units," published by the American Institute of Certified Public Accountants, and "Governmental..."
Sec. 8834.061. GENERAL MANAGER. (a) The board may employ a general manager to serve as the chief administrative officer of the district. The district may contract with any person to perform the general manager's duties.

(b) The board may delegate to the general manager the authority to manage and operate the affairs of the district subject only to orders of the board.

(c) The duties of the general manager include:
(1) administering board orders;
(2) coordinating with state, federal, and local agencies;
(3) supervising development of district plans and programs;
(4) preparing and submitting the annual budget to the board; and
(5) performing other duties assigned by the board.

(d) The general manager shall execute a bond that is:
(1) in an amount set by the board;
(2) payable to the district; and
(3) conditioned on the general manager's faithful performance of the general manager's duties.

(e) The district shall pay for the bond described under Subsection (d).

(f) The board shall determine the compensation and terms of office and employment for the general manager.

(g) The board by a vote of a majority of board members may discharge the general manager.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.062. PERSONNEL. (a) The general manager shall employ personnel necessary to properly handle district business and operation. The general manager may employ attorneys, bookkeepers, engineers, and other expert and specialized personnel considered
necessary.

(b) The general manager shall determine the compensation paid to district employees.

(c) The general manager may discharge a district employee.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.063. BENEFITS. (a) The board may provide for and administer retirement, disability, and death compensation funds for the employees of the district.

(b) The board may:

(1) establish a public retirement system as provided by Chapter 810, Government Code; or

(2) provide for a deferred compensation plan as described by Section 457, Internal Revenue Code of 1986.

(c) The board may:

(1) include hospitalization and medical benefits for district employees as part of the compensation paid to the employees; and

(2) adopt or amend a plan or rule as necessary to provide the benefits described by Subdivision (1).

(d) The board may establish a sick leave pool for district employees in the manner provided for state employees by Subchapter A, Chapter 661, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.064. BOND FOR EMPLOYEE RESPONSIBLE FOR MONEY. (a) The board shall require an employee who collects, pays, or handles district money to provide a good and sufficient bond that is:

(1) in an amount sufficient to safeguard the district;

(2) payable to the district; and

(3) conditioned on:

(A) the faithful performance of the employee's duties; and

(B) accounting for all district money and property under the employee's control.
(b) The district shall pay for the bond.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.065. DISTRICT OFFICE. The board shall maintain its principal office in the district for conducting district business. The office must be in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.066. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The district shall:

(1) keep a complete account of board meetings and proceedings; and
(2) maintain in a safe place the board's minutes, contracts, records, notices, accounts, and receipts.

(b) The board's minutes, contracts, records, notices, accounts, and receipts are:

(1) the property of the district; and
(2) subject to public inspection.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.067. SEAL. The board shall adopt a seal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8834.101. DISTRICT PLAN. (a) The board shall formulate a plan to control and mitigate subsidence in the district.

(b) The plan must:

(1) regulate groundwater withdrawals to maintain sufficient artesian pressure to control and mitigate subsidence; and
(2) specify in as much detail as practicable the acts, procedures, performance, and avoidance that are necessary to carry out the purpose of this chapter.

(c) When formulating the plan, the board shall compile and consider:

(1) a list of wells in the district subject to regulation under this chapter;

(2) a list of all available sources of water, other than groundwater, in the district;

(3) the purpose for which the water is used and for which it is proposed to be used;

(4) accurate estimates of:
   (A) groundwater withdrawal from all wells or proposed wells in the district;
   (B) the amount of groundwater that may be withdrawn from each area in the district without causing:
      (i) long-term static water level decline; and
      (ii) reduction of artesian pressure that will lead to subsidence in the district; and
   (C) current and future water needs in the district;

and

(5) information relating to formulating a permit system;

and

(6) other information necessary to manage groundwater in the district and to effectively and expeditiously carry out the purpose of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.102. ADOPTION OF DISTRICT PLAN. (a) The board shall hold a hearing to consider a plan formulated under Section 8834.101.

(b) After the hearing, the board shall:

(1) make any changes it considers necessary according to evidence and material presented at the hearing; and

(2) adopt the plan.

(c) The board may amend or repeal a plan adopted under this section and may adopt a new plan as provided by this section for the adoption of the original plan.

(d) An adopted plan remains in effect until a new plan is
Sec. 8834.103. WATER CONSERVATION MEASURES. (a) The board may adopt rules requiring the use of water conservation measures to reduce groundwater withdrawals.

(b) The district may cooperate with the commission and a local government to establish water conservation goals, guidelines, and plans to be used in the district.

(c) The district may contract with a local government in the district to provide services needed to meet water conservation requirements that the commission establishes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.104. ANNUAL GROUNDWATER WITHDRAWAL DETERMINATION. (a) The board shall hold an annual hearing to determine the effects during the preceding calendar year of groundwater withdrawal on subsidence in the district.

(b) At the hearing, the board shall consider information provided under Sections 8834.107 and 8834.214 and information presented by persons appearing before the board.

(c) After the hearing, the board shall:

(1) consider all information presented to it;

(2) determine groundwater withdrawal in the district during the preceding calendar year; and

(3) make findings on the effects during the preceding calendar year of groundwater withdrawal on subsidence in the district.

(d) The board's findings and determinations under Subsection (c) shall be included in a report adopted by the board. The report shall be made available for examination by any interested person.

(e) The board shall submit the report adopted under Subsection (d) and a copy of the most recent district plan adopted under Section 8834.101 to the appropriate regional water planning group.
Sec. 8834.105. MONITORING AND SUPERVISION BY DISTRICT. (a) The district may use subsidence compaction monitors, water-level observation wells, and other materials and equipment to determine the amount of groundwater that may be withdrawn while allowing groundwater to rebound and stabilize to a level that will halt subsidence.

(b) The district may use global positioning systems and other geodetic survey methods to monitor land surface elevations and measure subsidence.

(c) The district may coordinate monitoring and data collection activities with other entities, including private entities and federal, state, or local governmental entities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.106. DISTRICT RESEARCH. (a) The board may conduct studies and research that the board considers necessary to implement this chapter.

(b) The district may collect any information that the board determines is necessary to implement this chapter, including information regarding the use of groundwater, water conservation, and the practicability of recharging a groundwater reservoir.

(c) The board may use the services of geologists, hydrologists, licensed engineers, licensed geoscientists, or other expert personnel to accomplish the purposes of this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.107. STUDIES BY BOARD STAFF. At least once each year and at any other time the board considers necessary, the board may
have its staff make a complete study of the groundwater in the district and determine:

(1) the water level;
(2) the rates and amounts of groundwater withdrawal; and
(3) other information relating to groundwater withdrawal that may affect subsidence in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.108. SALE OR DISTRIBUTION OF WATER PROHIBITED. The district may not sell or distribute surface water or groundwater.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.109. ACCESS TO PROPERTY. (a) To carry out technical and other investigations necessary to implement this chapter, the board and its agents and employees are entitled to access to all property in the district.

(b) Before entering property for the purposes of this section, the person seeking access shall:

(1) give notice to the owner of the property as provided by district rules; and
(2) present proper credentials.

(c) The board and its agents and employees who enter private property shall observe the establishment's rules concerning safety, internal security, and fire protection.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.110. GENERAL POWERS RELATED TO PROPERTY AND CONTRACTS. (a) The board may:

(1) purchase, lease, own, convey, and dispose of property both inside and outside district territory necessary or convenient to exercise the board's powers, duties, and functions under this chapter;
(2) construct, purchase, lease, or acquire in some other manner any material or property, including supplies, equipment, vehicles, or machinery, necessary to carry out this chapter;

(3) accept a grant, gift, or devise of property; or

(4) accept a grant, gift, loan, or other distribution of money.

(b) The district may make or accept a grant, gratuity, advance, or loan in any form to or from any public source approved by the board, including a governmental entity.

(c) The district may enter into a contract, covenant, or agreement the board considers appropriate related to a grant, gratuity, advance, or loan.

(d) The board may enter into a contract with any person to carry out this chapter.

(e) The district may enter into contracts only in the district's name.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.111. COOPERATION WITH GOVERNMENTAL ENTITIES. In implementing this chapter, the board may request the assistance of and cooperate with a local government or an agency of this state or of the United States, including the Texas Water Development Board, the commission, and the United States Geological Survey.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.112. RULES. (a) After notice and hearing, the board shall adopt rules designed to expeditiously and effectively implement this chapter and accomplish its purpose, including rules governing procedures before the board. The board shall enforce the rules.

(b) The board may adopt rules to prevent the waste of water or the degradation of water quality.

(c) The board shall compile its rules in a book and make the book available for use and inspection at the district's principal office. The district shall provide copies of its rules on payment of the reproduction cost.
Sec. 8834.113. CONSIDERATIONS FOR RULES AND ORDERS. When adopting a rule or issuing an order, the board shall consider:

(1) the availability of surface water or alternative water supplies;
(2) the economic effects on persons and the community;
(3) the degree and effect of subsidence on the surface of the land; and
(4) the differing topographical and geophysical characteristics of the land.

Sec. 8834.114. HEARINGS. (a) At a regular meeting of the board, the board shall set the date, time, and location for a hearing to be held under this chapter.

(b) The board may hold a hearing at any location in the district and recess a hearing from day to day.

(c) Any person may appear at a hearing and present testimony, evidence, exhibits, or other information in person or by counsel, or both.

(d) The board may use a hearing examiner to hear a subject set for the hearing.

(e) The board shall make the final decision on a subject heard by a hearing examiner. Procedures for use of hearing examiners shall be provided by rule.

Sec. 8834.115. NOTICE OF HEARINGS. (a) Not later than the 10th day before the date set for a hearing other than a permit application hearing, the district shall deliver or mail notice of the hearing to:

(1) each county, regional water supplier, and municipal
government in the district; and

(2) each person that the board considers to have an interest in the subject matter of the hearing.

(b) Not later than the 10th day before the date set for a hearing, the district shall:

(1) publish notice of the hearing once in a newspaper of general circulation in each county in the district; and

(2) provide a copy of the notice of the hearing to the county clerk to be posted at the county courthouse of each county in the district in the place where notices are usually posted.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 200 (S.B. 1811), Sec. 7, eff. May 25, 2013.

Sec. 8834.116. BOARD BYLAWS AND POLICIES. The board may adopt bylaws and policies as necessary to accomplish its purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.117. AUTHORITY TO ISSUE SUBPOENAS AND ADMINISTER OATHS. (a) The board may issue a subpoena to compel the testimony of a person or the production of a document if the testimony or document is necessary to carry out the board's powers, duties, and functions under this chapter.

(b) On application by the board, a district court shall enforce a subpoena issued under Subsection (a) in the same manner as a subpoena issued by the court.

(c) The board may administer an oath to a person who testifies before the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.118. SUITS. (a) The district may sue and be sued in
the courts of this state in the name of the district by and through the board.

(b) If requested by the district, the attorney general shall represent the district in the district courts and appellate courts of this state and in the courts of the United States.

(c) The board, in the board's sole discretion, may employ attorneys to represent the district in the district courts and appellate courts of this state and the courts of the United States.

(d) The general manager is the agent of the district on whom process, notice, or demand required or permitted by law to be served on the district may be served.

(e) The district is not required to give a bond for appeal, injunction, or costs in any suit to which the district is a party.

(f) If the district prevails in any suit other than a suit in which it voluntarily intervenes, the district may seek and the court shall grant, in the same action, recovery for attorney's fees, costs for expert witnesses, and other costs incurred by the district before the court. The court shall set the amount of the attorney's fees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8834.151. DISBURSEMENT OF MONEY. The district may disburse its money by:

(1) a check, draft, order, or other instrument signed by a person authorized under a board bylaw or board resolution; or

(2) electronic funds transfer.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8834.153. FISCAL YEAR. The district's fiscal year is the calendar year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.154. BUDGET. (a) The board shall adopt an annual budget containing a complete financial statement.
(b) The board may amend the annual budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.155. AUDIT. The district shall have its affairs audited each year by an independent certified public accountant or a firm of independent certified public accountants of recognized integrity and ability. The district shall pay for the audit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.156. COPY OF AUDIT. The board shall keep one copy of the audit prepared under Section 8834.155 at the district office open to inspection by any interested person during normal office hours.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.157. DEPOSITORY AND INVESTMENTS. (a) Except as provided by Subsection (g), the board shall designate one or more banks in the district to serve as a depository for district money. All district money shall be deposited in a depository bank. This subsection does not limit the power of the board to place a portion of the district's money on time deposit or to purchase certificates of deposit or other authorized investments.
(b) The board shall prescribe the term of service for depositories.
(c) To the extent that money in a depository bank or a trustee bank is not invested or insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by Chapter 2257, Government Code.

(d) Before designating a depository bank, the board shall issue a notice stating the time and location the board will meet for that purpose and shall invite banks in the district to submit applications to be designated depositories.

(e) The board shall consider the management and condition of each bank that applies under Subsection (d) and designate as a depository the bank or banks that:

1. offer the most favorable terms and conditions for handling district money;
2. the board finds have proper management; and
3. are in a condition to warrant handling of district money.

(f) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being designated as a depository bank.

(g) If the board does not receive any applications before the meeting under Subsection (d), the board shall designate as a depository a bank or banks inside or outside the district under terms the board finds advantageous to the district.

(h) District money may be invested and reinvested as provided by Chapter 2256, Government Code.

(i) The board by resolution may provide that an authorized district representative may invest and reinvest district money and provide for money to be withdrawn from the appropriate district accounts for investments on terms that the board considers advisable.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.158. INVESTMENT OFFICER. (a) Notwithstanding Section 2256.005(f), Government Code, the board may contract with a person to act as investment officer of the district.

(b) The investment officer shall:

1. not later than the first anniversary of the date the officer takes office or assumes the officer's duties, attend a
training session of at least six hours of instruction relating to investment responsibilities under Chapter 2256, Government Code; and
(2) attend at least four hours of additional investment training within each two-year period after the first year.
(c) Training under this section must be from an independent source approved by:
(1) the board; or
(2) a designated investment committee advising the investment officer.
(d) Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with Chapter 2256, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 200 (S.B. 1811), Sec. 8, eff. May 25, 2013.

SUBCHAPTER E. REGULATORY PROVISIONS

Sec. 8834.201. GROUNDWATER WITHDRAWALS SUBJECT TO BOARD RULE.
(a) Groundwater withdrawals governed by this chapter, including withdrawals of injected water, are subject to reasonable board rules and orders.
(b) The board may issue permits to drill new wells and by rule may provide exemptions from the permit requirements. The district shall grant a permit to drill and operate a new well inside a platted subdivision if water service from a retail public utility is not available to the lot where the well is to be located.
(c) In this section, "retail public utility" has the meaning assigned by Section 13.002, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 200 (S.B. 1811), Sec. 9, eff. May 25, 2013.

Sec. 8834.202. CERTAIN GROUNDWATER USES EXEMPT. The permit requirements of this chapter do not apply to:
(1) a well regulated under Chapter 27, Water Code;
(2) a well that:
   (A) has a casing with an inside diameter of not more than five inches; and
   (B) serves only a single-family dwelling; or
(3) a shallow well that:
   (A) is not used to provide water for:
       (i) human consumption;
       (ii) agriculture;
       (iii) manufacturing or industry; or
       (iv) water injection; and
   (B) withdraws water solely:
       (i) to prevent hazardous sand boils, dewater surface construction sites, or relieve hydrostatic uplift on permanent structures;
       (ii) for groundwater quality analysis and for monitoring migration of subsurface contaminants or pollution; or
       (iii) for recovery of contamination or pollution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 200 (S.B. 1811), Sec. 10, eff. May 25, 2013.

Sec. 8834.203. REGULATION OF SPACING AND GROUNDWATER WITHDRAWAL. (a) To minimize as far as practicable the drawdown of the water table and the reduction of artesian pressure and to control and prevent subsidence, the board may provide for the spacing of wells in the district and may regulate groundwater withdrawal from wells, taking into consideration:
   (1) the economic impact on well owners;
   (2) the resulting effect on subsidence; and
   (3) other relevant factors.
(b) Before adopting a rule or issuing an order under this section, the board shall set a hearing on the proposed rule or order.
(c) The district may adopt different rules for:
   (1) each aquifer, subdivision of an aquifer, or geologic stratum located wholly or partly in the district's territory; or
   (2) each geographic area overlying an aquifer or
subdivision of an aquifer located wholly or partly in the district's territory.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.204. WATER-METERING DEVICES. The board may:
(1) require water-metering devices to be placed on wells in the district; and
(2) adopt standards for the accuracy, testing, and calibration of the devices.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.205. WELL REGISTRATION. The board by rule may require the registration of any well in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.206. PERMIT REQUIRED. (a) A well owner must obtain a permit from the board before:
(1) drilling, equipping, or completing the well;
(2) substantially altering the size of the well or a well pump; or
(3) operating the well.
(b) An operational well must have a permit.
(c) A well owner commits a violation if the well owner does not obtain a permit as required by Subsection (a). A violation occurs on the first day the drilling, equipping, completing, altering, or operation begins. Each day that a violation continues is a separate violation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 200 (S.B. 1811), Sec. 11, eff.
Sec. 8834.207. APPLICATION FOR PERMIT. (a) A person must submit an application and an application fee to the board to obtain a permit under this chapter.

(b) The application must state:

(1) the person's name and address;

(2) the location and wellhead elevation of the well or proposed well;

(3) the amount of water being withdrawn or proposed to be withdrawn; and

(4) any other information required by the board as necessary for the board to control and prevent subsidence in the district.

(c) The board shall use the application fee to process applications.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.208. NOTICE AND HEARING ON PERMIT APPLICATION. (a) The board shall hold a hearing on each permit application.

(b) Not later than the 10th day before the date set for the hearing, the board shall notify the applicant by regular mail or by certified mail, return receipt requested, of the date, time, and location of the hearing.

(c) The board may consider at a hearing as many permit applications as the board considers necessary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.209. ISSUANCE OF PERMIT. (a) Not later than the 60th day after the date of the hearing on a permit application, the board shall:

(1) decide whether to issue the permit; and

(2) prescribe the terms of the permit, if it decides to issue the permit.
(b) In deciding whether to issue a permit and in prescribing the terms of the permit, the board shall consider:

1. the purpose of this chapter;
2. the district plan;
3. the quality, quantity, and availability of surface water or alternative water supplies at prices that are competitive with prices charged by suppliers of surface water in the district;
4. the economic effect on the applicant of a decision to issue or deny the permit, or of the permit terms, in relation to the effect on subsidence that would result;
5. the applicant's compliance with this chapter or any district rule, permit, or order; and
6. all other relevant factors.

(c) The board shall issue a permit to an applicant if the board finds on sufficient evidence that:

1. there is no other adequate and available substitute or supplemental source of alternative water supplies at prices competitive with the prices charged by suppliers of alternative water supplies in the district; and
2. compliance with any provision of this chapter or any district rule will result in an arbitrary taking of property or in the practical closing and elimination of any lawful business, occupation, or activity without sufficient corresponding benefit or advantage to the public.

(d) The permit must state the terms prescribed by the board. The permit must include:

1. the name and address of the permit holder;
2. the location of the well;
3. the date the permit begins and the date the permit expires;
4. conditions and restrictions placed on groundwater withdrawal; and
5. other terms necessary to control and prevent subsidence.

(e) The board may condition the issuance of a permit under this section on the resolution of a previous or continuing violation of this chapter or of any district rule, permit, or order. The board may require an applicant to pay a civil penalty or settlement amount, or take other necessary action, to resolve a previous or continuing violation.
Sec. 8834.210. TERM OF PERMIT. (a) A permit issued under this chapter expires on the first anniversary of the date of issuance, unless the board specifies a different period.

(b) To aid the district in the effective and expeditious performance of its duties, the board may issue a permit for a term not to exceed five years if the issuance does not impair the district's ability to control and prevent subsidence in the district.

(c) A permit is not a vested right of the permit holder. The board may revoke, suspend, or amend a permit after notice and hearing when reasonably necessary to accomplish the purpose of this chapter.

Sec. 8834.211. RENEWAL OF PERMIT. The board may renew a permit in the manner provided for issuing an original permit.

Sec. 8834.212. PERMIT FEES. (a) When the board issues or renews a permit, the board shall collect a permit fee from the applicant. The fee shall be determined by a schedule based on:

(1) the term of the permit; and
(2) the maximum annual amount of groundwater the board authorizes to be withdrawn from the well.

(b) The board may establish a disincentive permit fee to serve as a regulatory tool by creating a disincentive to continued overreliance on groundwater.

(c) The board shall determine the fee schedule after a hearing.

(d) The board shall use permit fees collected under this section to pay the cost of issuing permits and performing other
regulatory functions under this chapter, including making grants, loans, or contractual payments to achieve, facilitate, or expedite reductions in groundwater pumping or the development or distribution of alternative water supplies.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.213. TRANSFERRING PERMIT. (a) A permit is transferable only if the permit holder and the new owner of the well notify the district by certified mail, return receipt requested, of:

(1) the transfer of ownership of the well; and
(2) the name and address of the new owner.

(b) On receipt of the information required under Subsection (a), the district shall issue an amended permit with the new owner of the well listed as the permit holder. The remaining terms of the permit remain unchanged.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.214. ANNUAL REPORT. (a) Before January 31 each year, a well owner who is required to hold a permit under this chapter shall submit to the board a report stating:

(1) the well owner's name;
(2) the location of the well;
(3) the total amount of groundwater withdrawn from the well during the preceding calendar year;
(4) the total amount of groundwater withdrawn from the well during each month of the preceding calendar year;
(5) the purpose for which the groundwater was used; and
(6) any other information required by the board that the board considers necessary for the board to control and prevent subsidence in the district.

(b) A well owner whose well is aggregated with other wells permitted and managed by a regional water supplier shall file the report required by Subsection (a) with the regional water supplier instead of the district. A regional water supplier shall submit to the board the report required by Subsection (a) for all wells owned,
managed, or permitted by that supplier not later than March 31 of each year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 200 (S.B. 1811), Sec. 13, eff. May 25, 2013.

Sec. 8834.215. REDUCTION OF GROUNDWATER USE. (a) The board by order may require a person to completely or partially discontinue the use of groundwater by:
   (1) acquiring an alternative water supply needed to replace the water supply covered by the order; or
   (2) participating in a groundwater reduction plan or other agreement the board approves as complying with the district's regulatory requirements.
   (b) The board by order or rule may require a person to reduce groundwater use by eliminating waste or implementing water conservation measures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8834.216. OPEN OR UNCOVERED WELLS. (a) The district may require the owner or lessee of land on which an open or uncovered well is located to keep the well closed or capped with a covering capable of supporting not less than 400 pounds when the well is not in actual use.
   (b) If the owner or lessee fails or refuses to close or cap a well as required, a person employed by the district may enter the land and close or cap the well safely and securely.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER F. APPEAL AND ENFORCEMENT PROVISIONS
Sec. 8834.251. APPEAL OF DISTRICT ACTIONS. (a) A person who
is adversely affected by a rule, order, or other official action of
the board, including a person residing in or owning real property in
the district whose residence or real property is subsiding, may
appeal the action to a district court in any county in the district
after any administrative appeal is finally resolved.

(b) An appeal under this section must be filed not later than
the 45th day after the date any administrative appeal is finally
resolved.

(c) On written request from a person who is adversely affected,
the board shall make written findings and conclusions regarding a
rule, order, or other official action of the district. The board
shall provide a certified copy of the findings and conclusions to the
person not later than the 35th day after the date the request was
made.

(d) An appeal under this section of the legal propriety of a
rule, order, or other action of the board is governed by the
substantial evidence rule as provided by Subchapter G, Chapter 2001,
Government Code. The burden of proof is on the petitioner, and the
challenged rule, order, or other official action of the district is
considered prima facie valid.

(e) The district court shall set for trial as expeditiously as
possible an appeal brought under this section and may not postpone or
continue the suit unless the reasons for postponement or continuance
are imperative.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
eff. April 1, 2011.

Sec. 8834.252. INJUNCTIVE RELIEF; CIVIL PENALTY. (a) If a
person has violated, is violating, or is threatening to violate this
chapter or a district rule, permit, or order, the district may
institute an action in a district court in the district for:

(1) an injunction to restrain the person from continuing
the violation or the threat of violation;

(2) a civil penalty of not less than $50 and not more than
$5,000 for each violation and for each day of violation; or

(3) both injunctive relief and a civil penalty.

(b) The attorney general shall institute an action under this
section at the request of the board, or at the request of the general
manager if authorized by the board. The district in its sole discretion may employ attorneys of its choice to institute the action.

(c) The district is not required to post bond or other security with the court.

(d) The district court shall grant the injunctive relief requested under Subsection (a) as the facts warrant if the court finds that a person is violating or threatening to violate this chapter or a district rule, permit, or order.

(e) The district court shall assess a civil penalty requested under Subsection (a) in the amount provided by that subsection if the court finds that a person has violated or is violating this chapter or a district rule, permit, or order.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

CHAPTER 8835. BRAZOS VALLEY GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8835.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Brazos Valley Groundwater Conservation District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8835.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8835.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8835.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Robertson and Brazos Counties unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8835.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of eight directors.

(b) Directors serve staggered four-year terms.

(c) A director may serve consecutive terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8835.052. APPOINTMENT OF DIRECTORS. (a) The Robertson County Commissioners Court shall appoint four directors, of whom:

(1) one must represent municipal interests in the county;
(2) one must be a bona fide agricultural producer who derives a substantial portion of the producer's income from agriculture in the county;
(3) one must be a director or employee of a rural water supply corporation in the county; and
(4) one must represent active industrial interests in the county.

(b) The Brazos County Commissioners Court shall appoint two directors, of whom:
(1) one must be a bona fide agricultural producer who
derives a substantial portion of the producer's income from
agriculture in the county; and

(2) one must be a director or employee of a rural water
supply corporation in the county.

(c) The governing body of the City of Bryan, with the approval
of the Brazos County Commissioners Court, shall appoint one director.

(d) The governing body of the City of College Station, with the
approval of the Brazos County Commissioners Court, shall appoint one
director.

(e) Every two years after January 1 of the second year
following the district's confirmation, the appropriate governing body
shall appoint the appropriate number of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

Sec. 8835.053. BOARD VACANCY. If there is a vacancy on the
board, the governing body of the entity that appointed the director
who vacated the office shall appoint a director to serve the
remainder of the term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

Sec. 8835.054. COMPENSATION; EXPENSES. (a) A director is not
entitled to receive compensation for serving as a director.

(b) A director may be reimbursed for actual, reasonable
expenses incurred in discharging official duties.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

Sec. 8835.055. VOTE REQUIRED FOR BOARD ACTION. A majority vote
of a quorum of the board is required for board action. If there is a
tie vote, the proposed action fails.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
Sec. 8835.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8835.102. GROUNDWATER WELLS UNDER JURISDICTION OF RAILROAD COMMISSION. (a) In this section, "railroad commission" means the Railroad Commission of Texas.

(b) A groundwater well drilled or operated in the district under a permit issued by the railroad commission is under the exclusive jurisdiction of the railroad commission and is exempt from regulation by the district.

(c) Groundwater produced in an amount authorized by a railroad commission permit may be used in or exported from the district without a permit from the district.

(d) To the extent groundwater production exceeds railroad commission authorization, the holder of the railroad commission permit:

(1) must apply to the district for the appropriate permit for the excess production; and

(2) is subject to the applicable regulatory fees.

(e) Groundwater produced from a well under the jurisdiction of the railroad commission is generally exempt from water district fees. However, the district may impose either a pumping fee or an export fee on groundwater produced from an otherwise exempt mine well that is used for municipal purposes or by a public utility. A fee imposed by the district under this subsection may not exceed the fee imposed on other groundwater producers in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Sec. 8835.103. LIMITATION ON POWER OF EMINENT DOMAIN. The district does not have the power of eminent domain granted by Section 36.105, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8835.151. FEES. (a) The board by rule may impose a reasonable fee on each well that is not exempt from regulation by the district and for which a permit is issued by the district. The fee may be based on:

(1) the size of column pipe used by the well; or
(2) the actual, authorized, or anticipated amount of water to be withdrawn from the well.

(b) The board shall base the amount of the initial fee on the amount of water to be withdrawn from the well. The initial fee:

(1) may not exceed:
(A) $0.25 for each acre-foot for water used to irrigate agricultural crops or operate existing steam electric stations; or
(B) $0.0425 for each thousand gallons for water used for any other purpose; and
(2) may be increased at a cumulative rate not to exceed three percent for each year.

(c) In addition to the fee authorized under Subsection (b), the district may impose a reasonable fee or surcharge for an export fee using one of the following methods:

(1) a fee negotiated between the district and the transporter; or
(2) a combined production and export fee not to exceed 17 cents for each thousand gallons for water used.

(d) Fees authorized by this section may be:

(1) assessed annually; and
(2) used to pay the cost of operating the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Sec. 8835.152. AUTHORITY TO ISSUE BONDS AND NOTES. The district may issue bonds and notes under Subchapter F, Chapter 36, Water Code, not to exceed $500,000 of total indebtedness at any time.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8835.153. LIMITATION ON AUTHORITY TO IMPOSE TAXES. The district does not have the authority relating to taxes that is granted by Sections 36.020 and 36.201-36.204, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

CHAPTER 8836. FAYETTE COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8836.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Fayette County Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8836.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Fayette County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8836.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district.
under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8836.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Fayette County, Texas, unless the district's territory has been modified under:
(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8836.005. DISTRICT NAME CHANGE. The board by resolution may change the district's name.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8836.006. CONFLICTS OF LAW. The following provisions prevail over a conflicting or inconsistent provision of this chapter:
(1) Sections 36.1071-36.108, Water Code;
(2) Sections 36.159-36.161, Water Code; and
(3) Subchapter I, Chapter 36, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.024, eff. September 1, 2011.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8836.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8836.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method as provided by this section.

(b) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.

(c) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or
(2) that the person seeks to represent the district at large.

(d) At the first election after the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, four new directors shall be elected to represent the precincts. The directors from Precincts 1 and 3 are elected for two-year terms. The directors from Precincts 2 and 4 are elected for four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8836.053. ELECTION DATE. On the first Tuesday after the first Monday in November of each even-numbered year, the appropriate number of directors shall be elected for terms beginning January 1 of the following year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8836.054. QUALIFICATIONS FOR OFFICE. (a) To be qualified to be a candidate for or to serve as director at large, a person must be a registered voter in the district.

(b) To be qualified to be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 8836.101.  GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES.  Except as provided by this chapter, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8836.102.  REGIONAL COOPERATION.  To provide for regional continuity, the district shall:

(1)  participate in coordination meetings with adjacent districts on an as-needed basis;

(2)  coordinate the collection of data with adjacent districts in such a way as to achieve relative uniformity of data type and quality;

(3)  coordinate efforts to monitor water quality with adjacent districts, local governments, and state agencies;

(4)  provide groundwater level data to adjacent districts;

(5)  investigate any groundwater and aquifer pollution with the intention of locating its source;

(6)  notify adjacent districts and all appropriate agencies of any detected groundwater pollution;

(7)  annually provide to adjacent districts an inventory of water wells and an estimate of groundwater production within the district; and

(8)  include adjacent districts on the mailing lists for district newsletters, seminars, public education events, news articles, and field days.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER D.  FINANCIAL PROVISIONS
Sec. 8836.151. DISTRICT REVENUE. To pay the district's maintenance and operating costs and to pay any bonds or notes issued by the district, the district may:

(1) impose an ad valorem tax at a rate not to exceed two cents on each $100 valuation of taxable property in the district, subject to voter approval;
(2) assess fees for services or for water withdrawn from non-exempt wells; or
(3) solicit and accept grants from any private or public source.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8836.152. ELECTION TO APPROVE BONDS OR NOTES. The district may not issue or sell bonds or notes payable from any source unless the action is approved by a majority of the voters of the district voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

CHAPTER 8837. TERRELL COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8837.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Commissioners court" means the Terrell County Commissioners Court.
(3) "Director" means a member of the board.
(4) "District" means the Terrell County Groundwater Conservation District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Terrell County created under and
essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8837.022 before December 31, 2012:

(1) the district is dissolved December 31, 2012, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Terrell County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2016.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Terrell County, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.005. DISTRICT NAME CHANGE. The board may change the district's name when the district annexes territory.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.006. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. (a) Except as otherwise provided by this chapter,
Chapter 36, Water Code, applies to the district.

(b) Section 36.121, Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8837.051. COMPOSITION OF BOARD. (a) The district is governed by a board of five directors appointed by the commissioners court.

(b) Two directors must represent urban interests in the district and three must represent agricultural interests in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.052. TERMS OF DIRECTORS. (a) Directors serve staggered four-year terms, with two or three directors' terms expiring April 1 of each odd-numbered year.

(b) A director may serve consecutive terms.

(c) The commissioners court shall appoint a director to succeed a serving director on or before the date the serving director's term expires.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.053. VACANCIES. If there is a vacancy on the board, the commissioners court shall appoint a person to fill the vacancy for the remainder of the term in a manner that meets the representational requirements of Section 8837.051.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.054. COMPENSATION. (a) Sections 36.060(a), (b), and
(d), Water Code, do not apply to the district.

(b) A director is entitled to receive compensation of not more than $50 a day for each day the director actually spends performing the duties of a director. The compensation may not exceed $3,000 a year.

(c) The board may authorize a director to receive reimbursement for the director's reasonable expenses incurred while engaging in activities on behalf of the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8837.101. GENERAL POWERS. Except as otherwise provided by this chapter, the district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.102. PROHIBITION ON DISTRICT PURCHASE, SALE, TRANSPORT, OR DISTRIBUTION OF WATER. The district may not purchase, sell, transport, or distribute surface water or groundwater for any purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.103. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8837.151. LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds 1.5 cents on each $100 valuation of taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.152. FEES. (a) The board by rule may impose reasonable fees on each well:

(1) for which a permit is issued by the district; and
(2) that is not exempt from district regulation.

(b) A production fee may be based on:

(1) the size of column pipe used by the well; or
(2) the amount of water actually withdrawn from the well, or the amount authorized or anticipated to be withdrawn.

(c) The board shall base the initial production fee on the criteria listed in Subsection (b)(2). The initial production fee:

(1) may not exceed:

(A) 25 cents per acre-foot for water used for agricultural irrigation; or
(B) 4.25 cents per thousand gallons for water used for any other purpose; and

(2) may be increased at a cumulative rate not to exceed three percent per year.

(d) In addition to the production fee authorized under this section, the district may assess an export fee on groundwater from a well that is produced for transport outside the district.

(e) Fees authorized by this section may be:

(1) assessed annually;
(2) used to pay the cost of district operations; and
(3) used for any other purpose allowed under Chapter 36, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

Sec. 8837.153. LIMITATION ON INDEBTEDNESS. The district may issue bonds and notes under Subchapter F, Chapter 36, Water Code, except that the total indebtedness created by that issuance may not
exceed $500,000 at any time.

Added by Acts 2011, 82nd Leg., R.S., Ch. 336 (H.B. 2859), Sec. 1, eff. September 1, 2011.

CHAPTER 8838. COW CREEK GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8838.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Cow Creek Groundwater Conservation District.
(4) "Well" means an excavation drilled or dug into the ground that may intercept or penetrate a water-bearing stratum or formation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Sec. 8838.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Kendall County unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or

(2) other law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.005. CONFLICTS WITH OTHER LAW. The following provisions prevail over a conflicting or inconsistent provision of this chapter:

(1) Sections 36.1071-36.108, Water Code;

(2) Sections 36.159-36.161, Water Code; and

(3) Subchapter I, Chapter 36, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8838.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method provided by this section.

(b) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.

(c) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or

(2) that the person seeks to represent the district at large.
(d) When the boundaries of the county commissioners precincts are changed, each director in office on the effective date of the change or elected to a term of office beginning on or after the effective date of the change serves in the precinct to which the director was elected for the entire term to which the director was elected, even though the change in boundaries places the person's residence outside the precinct for which the person was elected.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.053. ELECTION DATE. Each even-numbered year, on the uniform election date in May or another date authorized by law, the appropriate number of directors shall be elected.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.101(12), eff. September 1, 2013.

Sec. 8838.054. ELIGIBILITY. (a) To be eligible to be a candidate for or to serve as director at large, a person must be a registered voter in the district.

(b) To be eligible to be a candidate for or to serve as a director from a county commissioners precinct, a person must be a registered voter of that precinct, except as provided by Section 8838.052(d).

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.055. BOARD VACANCY. (a) The board shall appoint a replacement to fill a vacancy in the office of director.

(b) The appointed replacement serves until the next directors' election.

(c) At that election, a person is elected to fill the position. If the position is not scheduled to be filled at the election, the
person elected to fill the position serves only for the remainder of the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8838.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.102. PROGRAMS TO PRESERVE AND PROTECT GROUNDWATER RESOURCES. The district may develop and implement regulatory, conservation, and recharge programs that preserve and protect groundwater resources located in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.103. CONTRACTS WITH OTHER GOVERNMENTAL BODIES. The district may contract with one or more state agencies or other governmental bodies, including a county, a river authority, or another district, to carry out any function of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.104. WELL PERMITS; AUTHORIZATION OF EXEMPT WELLS. (a) The district may require a drilling permit before a new well is drilled or an existing well is substantially altered.

(b) Notwithstanding an exemption for a well under Section
36.117, Water Code, written authorization granted by the district must be received before a new well is drilled or an existing well is substantially altered.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.105. BEST MANAGEMENT PRACTICES FOR WATER RESOURCE MANAGEMENT. (a) The district may participate in the construction, implementation, and maintenance of best management practices for water resource management in the district and may engage in and promote the acceptance of best management practices through education efforts sponsored by the district.

(b) Construction, implementation, and maintenance of best management practices must address water quantity and quality practices such as brush management, prescribed grazing, recharge structures, water and silt detention and retention structures, plugging of abandoned wells, rainwater harvesting, and other treatment measures for the conservation of water resources.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.106. LIMITATIONS ON DISTRICT POWERS. (a) In this section, "retail public utility" means a retail public utility as defined by Section 13.002, Water Code, that is providing service in the district on September 1, 2001.

(b) The district may not:

(1) require the owner of a well used solely for domestic or livestock purposes to install a meter or measuring device on the well;

(2) sell, transport, or export groundwater outside of the district; or

(3) enter into a contract or engage in an action to supply water to any person in the service area of any municipality or retail public utility located in the district, except with the consent of the municipality or retail public utility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
Sec. 8838.151. FEES. (a) Reasonable fees, as determined by the district, may be imposed on an annual basis on each nonexempt well and on each well exempt from permitting under Section 36.117(b)(1), Water Code. The district shall adopt any rules necessary for the assessment and collection of fees under this subsection.

(b) The district may use money collected from fees:
   (1) in any manner necessary for the management and operation of the district;
   (2) to pay all or part of the principal of and interest on district bonds or notes; and
   (3) for any purpose consistent with the district's approved water management plan.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.152. AD VALOREM TAX EXEMPTION FOR PROPERTY ON WHICH WATER CONSERVATION INITIATIVE HAS BEEN IMPLEMENTED. (a) The district may adopt rules providing for granting exemptions from ad valorem taxes on property on which a water conservation initiative has been implemented as provided by Section 11.32, Tax Code.

(b) The total amount of the exemption from ad valorem taxes may not exceed one-half of the tax imposed by the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8838.153. LIMITATION ON TAXES. The district may not impose an ad valorem tax for administrative, operation, or maintenance expenses that exceeds the lesser of:
   (1) the rate approved by the majority of the voters voting in the election authorizing the tax; or
   (2) three cents per $100 of assessed valuation.
CHAPTER 8839. GATEWAY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8839.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Gateway Groundwater Conservation District.

Sec. 8839.002. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Foard and Hardeman Counties unless the district's territory has been modified under:
(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

SUBCHAPTER B. BOARD OF DIRECTORS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 872, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8839.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board in the manner provided by Section 36.051, Water Code.
(b) Directors serve staggered four-year terms.

Sec. 8839.052. APPOINTMENT OF DIRECTORS. (a) The commissioners court of each county in the district shall appoint an
equal number of directors.

(b) The appropriate commissioners court shall appoint a
director to succeed a director on or before the date the director's
term expires.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

Sec. 8839.053. BOARD VACANCY. If there is a vacancy on the
board, the appropriate commissioners court shall appoint a director
to serve the remainder of the term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

Sec. 8839.054. COMPENSATION; EXPENSES. A director may not
receive a salary or other compensation for service as a director but
may be reimbursed for actual expenses of attending meetings.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8839.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND
DUTIES. The district has the rights, powers, privileges, functions,
and duties provided by the general law of this state, including
Chapter 36, Water Code, applicable to groundwater conservation
districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8839.151. TAXING AUTHORITY. The district may impose an ad
valorem tax in the district at a rate not to exceed one cent on each
$100 of assessed valuation.
CHAPTER 8840.  GLASSCOCK GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8840.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Glasscock Groundwater Conservation District.

Sec. 8840.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution, to provide for the conservation, preservation, protection, recharge, and prevention of waste of the groundwater reservoirs located under district land, consistent with the objectives of Section 59, Article XVI, Texas Constitution, and Chapter 36, Water Code.

Sec. 8840.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land included in the district will benefit from the district.

Sec. 8840.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Glasscock County, Texas, unless the district's territory has been modified under:
(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8840.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of directors as provided by Chapter 36, Water Code.

(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8840.052. ELECTION OF DIRECTORS. (a) The district is divided into numbered precincts for electing directors.

(b) The board may revise the district precincts as necessary or appropriate.

(c) One director is elected from each district precinct and one director is elected at large.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8840.053. ELECTION DATE. The board shall hold an election to elect the appropriate number of directors on the uniform election date in May of each even-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8840.054. QUALIFICATIONS FOR ELECTION. (a) To be qualified for election as a director, a person must:

(1) be a resident of the district or proposed district;

(2) own land subject to taxation in the district or proposed district; and

(3) be at least 21 years of age.

(b) To be qualified for election as a director from a district precinct, a person must own land subject to taxation in the district.
precinct from which the person is elected.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8840.055. ELECTION OF DIRECTORS FOLLOWING ANNEXATION. (a) Territory may be added to the district under Chapter 36, Water Code.
(b) If the district annexes territory, the directors shall determine the precincts to which annexed territory is added for the purpose of electing directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8840.101. GENERAL POWERS AND DUTIES. The district may exercise:
(1) the powers essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and
(2) the rights, powers, duties, privileges, and functions provided by this chapter, Chapter 36, Water Code, and other laws of this state relating to groundwater conservation districts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8840.102. ADMINISTRATIVE PROCEDURES. Except as provided by this chapter, the administrative and procedural provisions of Chapter 36, Water Code, apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8840.103. WELL PERMITS. (a) As permitted by Chapter 36, Water Code, the district may:
(1) require a permit for drilling, equipping, or completing a well in a groundwater reservoir; and
(2) issue a permit subject to terms relating to drilling, equipping, or completing a well that are necessary to prevent waste or conserve, preserve, and protect groundwater.

(b) The district may not deny an owner of land, or the owner's heirs, assigns, and lessees, a permit to drill a well on that land or the right to produce groundwater from that well subject to rules adopted under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8840.104. WELL SPACING AND PRODUCTION. To minimize as far as practicable the drawdown of the water table or the reduction of the artesian pressure, the district, as permitted by Chapter 36, Water Code, may provide for the spacing of wells producing from the groundwater reservoirs and regulate the production from those wells.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8840.105. LOGS. As permitted by Chapter 36, Water Code, the district may require that:

(1) accurate driller's logs be kept of the drilling, equipping, or completion of a well into a groundwater reservoir; and

(2) a copy of a driller's log and of any electric log that may be made of the well be filed with the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8840.106. SURVEYS. As permitted by Chapter 36, Water Code, the district may have a licensed engineer survey the groundwater of a groundwater reservoir and the facilities for the development, production, and use of that groundwater and determine the quantity of the groundwater available for production and use and the improvements, developments, and recharges needed for the groundwater reservoir.
Sec. 8840.107. RESEARCH AND DETERMINATIONS REGARDING GROUNDWATER WITHDRAWAL. As permitted by Chapter 36, Water Code, the district may carry out research projects, develop information, and determine limitations, if any, that should be made on the withdrawal of groundwater from a groundwater reservoir.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8840.108. COLLECTION AND PRESERVATION OF INFORMATION. As permitted by Chapter 36, Water Code, the district may collect and preserve information regarding the use of groundwater and the practicability of recharge of a groundwater reservoir.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8840.109. CONTRACT FOR SALE AND DISTRIBUTION OF WATER. As permitted by Chapter 36, Water Code, the district may contract for, sell, and distribute water from a water import authority or other agency.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

CHAPTER 8841. GOLIAD COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8841.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Goliad County Groundwater Conservation District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
Sec. 8841.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Goliad County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8841.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8841.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Goliad County, Texas, unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or

(2) other law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8841.005. DISTRICT NAME CHANGE. The board may change the district's name if the district annexes territory.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8841.006. CONFLICTS WITH OTHER LAW. The following
provisions prevail over a conflicting or inconsistent provision of this chapter:

(1) Sections 36.1071-36.108, Water Code;
(2) Sections 36.159-36.161, Water Code; and
(3) Subchapter I, Chapter 36, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8841.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of seven directors elected to numbered places from Goliad County at large by the voters of the district.

(b) Directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8841.052. ELECTION DATE. Beginning in the second year following the election that confirmed the creation of the district, an election shall be held on the uniform election date in November every two years to elect the appropriate number of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8841.053. ELIGIBILITY. To be eligible to serve as a director, a person must be a resident of Goliad County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8841.054. BOARD VACANCY. (a) If a vacancy occurs on the board, the remaining directors shall appoint a person to fill the vacancy.

(b) A director appointed to fill a vacancy serves for the unexpired portion of the term.
Sec. 8841.055. OFFICERS. The board shall select from among the directors a presiding officer, assistant presiding officer, and secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8841.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8841.102. REGIONAL COOPERATION. (a) In recognition of the need for uniform regional monitoring and regulation of common, scientifically recognized groundwater sources, and in designated management areas, the district shall establish rules that:

(1) require the permitting of each water well that is:

(A) not exempted from permitting by Chapter 36, Water Code; and

(B) capable of producing more than 25,000 gallons each day;

(2) provide for the prevention of waste, as defined by Section 36.001, Water Code;

(3) provide for timely capping or plugging of abandoned wells; and

(4) require reports to be filed with the district on each new, nonexempt water well.

(b) A report required under Subsection (a)(4) must include:

(1) the driller's log;
(2) a description of the casing and pumping equipment installed;
(3) the capacity of the well; and
(4) the intended use of the water.
(c) To further regional continuity, the district shall:
(1) seek to participate in at least one coordination meeting annually with each adjacent district that shares an aquifer with the district;
(2) coordinate the collection of data with adjacent districts in a manner designed to achieve uniformity of data quality;
(3) coordinate efforts to monitor water quality with adjacent districts, local governments, and state agencies;
(4) investigate any groundwater pollution with the intention of locating its source and report the district's findings to adjacent districts and appropriate state agencies;
(5) provide to adjacent districts annually an inventory of new water wells in the district and an estimate of groundwater production in the district; and
(6) include adjacent districts on the mailing lists for district newsletters, seminars, public education events, news articles, and field days.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8841.151. LIMITATION ON TAXES. The district may not impose an ad valorem tax at a rate that exceeds five cents on each $100 valuation of taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

**CHAPTER 8842. HEADWATERS GROUNDWATER CONSERVATION DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 8842.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Headwaters Groundwater
Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8842.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Kerr County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8842.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.  
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8842.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Kerr County, unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8842.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.
Sec. 8842.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method as provided by this section.  
(b) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.  
(c) A person shall indicate on the application for a place on the ballot: 
(1) the precinct that the person seeks to represent; or 
(2) that the person seeks to represent the district at large.  
(d) At the first election after the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, a new director is elected from each precinct. The directors shall draw lots to determine which two directors shall serve two-year terms and which two directors shall serve four-year terms.

Sec. 8842.053. ELECTION DATE. (a) Except as provided by Subsection (b), directors' elections shall occur on the date of the general election for state and county officers.  
(b) If directors' elections may not lawfully be held on the date described by Subsection (a), directors' elections shall occur on the uniform election date in May of odd-numbered years.

Sec. 8842.054. ELIGIBILITY. (a) To be eligible to serve on the board, a person must have been a resident of the district for at least one year before the date the person takes office as a director.  
(b) To be qualified to be a candidate for or to serve as
director at large, a person must be a registered voter in the district.

(c) To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8842.055. COMPENSATION; EXPENSES. A director serves without compensation but is entitled to reimbursement for actual expenses incurred in performing activities related to district business, including education, travel, and seminars.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8842.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8842.102. AUTHORITY OF DISTRICT TO CONTRACT WITH GOVERNMENTAL BODIES. (a) The district may contract with Kerr County or a river authority whose boundaries are coextensive with the district's boundaries for services available from the county or river authority that directly relate to the district's activities. Any party to a contract under this subsection may petition the Texas Commission on Environmental Quality to resolve any dispute arising out of the contract.

(b) The district may contract with a state agency or another governmental body to carry out any function of the district.
Sec. 8842.103. GRANTING OF GROUNDWATER RIGHTS PROHIBITED. The district may not sell, donate, lease, or otherwise grant rights in or to groundwater located in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

CHAPTER 8843. HAYS TRINITY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8843.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Hays Trinity Groundwater Conservation District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8843.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8843.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
Sec. 8843.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Hays County, excluding any area that on September 1, 2001, was within another groundwater conservation district with authority to require a permit to drill or alter a well for the withdrawal of groundwater, unless the district's territory has been modified under:

1. Subchapter J, Chapter 36, Water Code; or
2. other law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8843.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 1118 (H.B. 3903), Sec. 1, eff. September 1, 2013.

Sec. 8843.052. ELECTION OF DIRECTORS. (a) The district is divided into five numbered single-member districts for electing directors.

(b) One director is elected from each single-member district. A director elected from a single-member district represents the residents of that single-member district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8843.053. ELECTION DATE. On the uniform election date in November of each even-numbered year, the appropriate number of
directors shall be elected.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1118 (H.B. 3903), Sec. 2, eff. September 1, 2013.

Sec. 8843.054. QUALIFICATIONS FOR OFFICE. To be qualified to be a candidate for or to serve as director, a person must be a registered voter in the single-member district that the person represents or seeks to represent.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8843.055. BOARD VACANCY. If there is a vacancy on the board, the Hays County Commissioners Court shall appoint a director to serve the remainder of the term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8843.056. REVISION OF SINGLE-MEMBER DISTRICTS. (a) The board may revise the single-member districts as necessary or appropriate.

(b) The board shall revise each single-member district after each federal decennial census to reflect population changes.

(c) At the first election after the single-member districts are revised, a new director shall be elected from each district. The directors shall draw lots to determine which two directors serve one-year terms and which three directors serve two-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8843.057. COMPENSATION; EXPENSES. A director may not
receive a salary or other compensation for service as a director but may be reimbursed for actual expenses of attending meetings at the rate in effect for employees of Hays County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8843.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8843.103. WELL CONSTRUCTION NOTIFICATION. Notwithstanding Section 8843.104, a landowner must notify the district before the construction of a new well that is to be completed after September 1, 2013.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1118 (H.B. 3903), Sec. 3, eff. September 1, 2013.

Sec. 8843.104. EXEMPT WELLS. (a) Groundwater withdrawals from the following wells may not be regulated, permitted, or metered by the district:

(1) a well used for domestic use by a single private residential household and incapable of producing more than 25,000 gallons per day; and

(2) a well used for conventional farming and ranching activities, including such intensive operations as aquaculture, livestock feedlots, or poultry operations.

(b) The district may not charge or collect a well construction
fee for a well described by Subsection (a)(2).

(b-1) A well owner must obtain a permit and pay any required fees, including a well construction fee, before using any groundwater withdrawn from a well for purposes other than those exempted by this section.

(c) A well used for dewatering and monitoring in the production of coal or lignite is exempt from permit requirements, regulations, and fees imposed by the district.

(d) The district may not enter property to inspect an exempt well without the property owner's permission.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 1118 (H.B. 3903), Sec. 4, eff. September 1, 2013.

Sec. 8843.105. STANDARDS FOR RESIDENTIAL WELLS. The district may not adopt standards for the construction of a residential well that are more stringent than state standards for a residential well.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8843.106. ELECTIONS OTHER THAN DIRECTORS' ELECTIONS. An election held by the district, other than an election under Section 8843.053, must be scheduled to coincide with a general election in May or November.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 8843.151. WELL CONSTRUCTION FEE. The district may charge and collect a new well construction fee not to exceed $1,000 for a new well.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
Sec. 8843.1515. PERMIT RENEWAL APPLICATION FEE. The district may charge and collect a permit renewal application fee not to exceed $400.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1118 (H.B. 3903), Sec. 6, eff. September 1, 2013.

Sec. 8843.152. SERVICE CONNECTION FEE. (a) This section does not apply to a water utility that has surface water as its sole source of water.

(b) The district may levy and collect a water utility service connection fee not to exceed $1,000 for each new water service connection made after September 1, 2013.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 1118 (H.B. 3903), Sec. 7, eff. September 1, 2013.

Sec. 8843.153. TAXES AND OTHER FEES PROHIBITED. Notwithstanding Section 8843.101 or Subchapter G, Chapter 36, Water Code, the district may not:
(1) impose a tax; or
(2) assess or collect any fees except as authorized by Section 8843.151 or 8843.152.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8843.154. BUDGET. (a) The district shall annually:
(1) prepare a budget showing proposed expenditures and
disbursements and estimated receipts and collections for the next fiscal year; and

(2) hold a public hearing on the proposed budget.

(b) The district must publish notice of the hearing at least once in a newspaper of general circulation in the county not later than the 10th day before the date of the hearing.

(c) A taxpayer of the district is entitled to appear at the hearing to be heard regarding any item in the proposed budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

CHAPTER 8844. HILL COUNTRY UNDERGROUND WATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8844.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Hill Country Underground Water Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.003. LEGISLATIVE FINDINGS. The legislature finds that:

(1) the organization of the district is feasible and practicable;

(2) the land to be included in the district and the residents of the district will benefit from the creation of the district;

(3) there is a public necessity for the district; and

(4) the creation of the district will further the public
Sec. 8844.004. DISTRICT TERRITORY. The district is composed of the territory located in Gillespie County, unless the district's territory has been modified under:

(1) Subchapter B; or

(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.026, eff. September 1, 2011.

SUBCHAPTER B. ANNEXATION OF TERRITORY

Sec. 8844.051. ANNEXATION OF TERRITORY AUTHORIZED. The board may annex territory to the district as provided by this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.052. PETITION FOR ANNEXATION ELECTION. (a) To initiate a proceeding to annex territory to the district, a written petition requesting that the board call an annexation election must be presented to the board.

(b) The petition must:

(1) define the territory to be annexed; and

(2) be signed by at least 50 percent of the persons who reside in the territory to be annexed according to the most recent federal census.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8844.053. HEARING; ELECTION ORDER. (a) On receipt of a petition under Section 8844.052, the board shall set a date for a hearing on the petition. The hearing must be set for a date that is not later than the 20th day after the date the board receives the petition.

(b) The board shall publish notice of the place, time, date, and purpose of the hearing in one or more newspapers with general circulation in the district and in the territory to be annexed.

(c) At the hearing, any person may present testimony for or against annexation of the territory to the district.

(d) At the conclusion of the hearing, the board shall determine whether an election should be held to determine whether the territory should be annexed.

(e) If the board determines that an election should be held, the board shall issue an order calling separate elections to be held in the district and in the territory to be annexed to determine whether the territory should be annexed to the district. The board shall hold the elections on the same day at the next uniform election date following the date of the order.

(f) If the board determines that an election should not be held, the board shall issue an order denying the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.054. BALLOTS. Ballots for an election called under Section 8844.053 must be printed to provide for voting for or against the proposition: "The inclusion of ________________ (briefly describe the territory to be annexed) in the Hill Country Underground Water Conservation District, and assumption by the described territory of a proportional share of the outstanding indebtedness of the district."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.055. DECLARATION OF ELECTION RESULTS. (a) If a majority of the voters in the district and a majority of the voters in the territory to be annexed voting on the proposition vote in
favor of the proposition, the territory is annexed to the district, and the board shall issue a declaration to that effect.

(b) If a majority of the voters in the district or in the territory to be annexed voting on the proposition vote against annexing the territory to the district, the territory is not annexed to the district, and the board shall issue a declaration to that effect.

(c) The board shall file a copy of the election results and declaration with the Texas Commission on Environmental Quality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

**SUBCHAPTER C. BOARD OF DIRECTORS**

Sec. 8844.101. COMPOSITION OF BOARD. (a) The board is composed of five directors, unless the board is expanded under Subsection (b).

(b) If territory is annexed to the district, the territory annexed is entitled to be represented by one director, and the board shall add one director to the board for that purpose. The board shall appoint an initial director to represent the newly annexed territory. The initial director serves until the first regular meeting of the board following the first regular election of directors subsequent to the annexation of the territory.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.102. TERMS. Directors serve four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.103. QUALIFICATIONS FOR ELECTION; ELIGIBILITY TO SERVE. (a) To be qualified for election as a director, a person must be:

(1) a resident of the district; and
(2) at least 18 years of age.
(b) In addition to the requirements of Subsection (a):
(1) to be a director from a county commissioners precinct, a person must be a resident of that precinct; and
(2) to be a director from a specific territory annexed to the district, a person must be a resident of that territory.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.104. ELECTION DATE. Each odd-numbered year, the board shall hold an election in the district on the uniform election date in May to elect the appropriate number of directors. Section 41.001(a)(2), Election Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 867 (H.B. 3866), Sec. 1, eff. June 17, 2011.
Acts 2015, 84th Leg., R.S., Ch. 383 (H.B. 1819), Sec. 1, eff. June 10, 2015.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8844.151. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except to the extent of a conflict with this chapter or as limited by this chapter, the district is governed by, is subject to, may exercise the powers granted by, and shall exercise the duties provided by Chapter 36, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.152. RECLAMATION. The district may:
(1) reclaim land in the district; and
(2) construct works, facilities, and improvements necessary to accomplish that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
Sec. 8844.153. SOIL CONSERVATION AND IMPROVEMENT. The district may construct and maintain terraces or other structures on land in the district and may engage in or promote land treatment measures for soil conservation and improvement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.154. INPUT WELLS. The district may drill, equip, operate, and maintain input wells, pumps, and other facilities to carry out its purpose and powers under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.155. ACQUISITION OF PROPERTY. The district may acquire any land or property necessary to carry out this chapter by:

1. gift;
2. grant;
3. devise;
4. lease;
5. purchase; or
6. the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8844.156. SALE AND DISPOSAL OF PROPERTY. Subject to this chapter and Chapter 36, Water Code, the district may sell or otherwise dispose of land and other property of the district that is not necessary to carry out the purpose or powers of the district as determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8844.157. APPEARANCE BEFORE RAILROAD COMMISSION. The
district, through the directors or the district's general manager,
may appear before the Railroad Commission of Texas and present
evidence and information related to a pending permit application for
an injection well to be located in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
eff. April 1, 2011.

Sec. 8844.158. PROHIBITION: SUPPLY OF GROUNDWATER. The
district may not contract to or take an action to supply groundwater
inside or outside the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
eff. April 1, 2011.

CHAPTER 8845. IRION COUNTY WATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8845.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Irion County Water Conservation
District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

Sec. 8845.002. NATURE AND PURPOSE OF DISTRICT. The district is
created under Section 59, Article XVI, Texas Constitution, to provide
for the conservation, preservation, protection, recharge, and
prevention of waste and pollution of the district's groundwater and
surface water, consistent with:
(1) the objectives of Section 59, Article XVI, Texas
Constitution, and Chapter 36, Water Code; and
(2) the powers and duties under Subchapters H and I,
Chapter 49, Water Code.
Sec. 8845.003. LEGISLATIVE FINDINGS. The legislature finds that:

(1) the organization of the district is feasible and practicable;
(2) the land to be included in and the residents of the district will benefit from the creation of the district;
(3) there is a public necessity for the district; and
(4) the creation of the district will further the public welfare.

Sec. 8845.004. DISTRICT TERRITORY. The district is composed of all the territory in Irion County unless the district's territory has been modified by:

(1) annexation under Subchapter J or consolidation under Subchapter K, Chapter 36, Water Code; or
(2) other law.

Sec. 8845.005. DISTRICT NAME CHANGE. The name of the district may be changed if:

(1) additional territory is annexed to the district; or
(2) the district consolidates with another district.

Sec. 8845.006. OWNERSHIP OF GROUNDWATER AND SURFACE WATER RIGHTS. The ownership and rights of the owner of land, the owner's lessees, and assigns in groundwater and any surface water rights are
recognized, and this chapter does not deprive or divest the owner, the owner's lessees, or assigns of those ownership rights.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

**SUBCHAPTER B. DISTRICT ADMINISTRATION**

Sec. 8845.051. COMPOSITION OF BOARD; TERMS. (a) The board is composed of five directors.

(b) Directors serve staggered four-year terms.

(c) A director takes office at the first regular meeting of the board following the director's election to the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.052. ELECTION OF DIRECTORS. One director is elected from the district at large. One director is elected from each county commissioners precinct.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.053. ELECTION DATE. Each even-numbered year, an election shall be held on the uniform election date in May or another date authorized by law to elect the appropriate number of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.101(14), eff. September 1, 2013.

Sec. 8845.054. QUALIFICATIONS FOR ELECTION; ELIGIBILITY TO SERVE. (a) To be qualified for election as a director, a person must be:

(1) a resident of the district; and
(2) at least 18 years of age.

(b) In addition to the requirements of Subsection (a), a person who is a director from a county commissioners precinct must be a resident of that precinct unless the composition of the board changes under Section 8845.056.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.055. BOARD VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.056. COMPOSITION OF BOARD FOLLOWING ANNEXATION OR CONSOLIDATION. If the district annexes territory or consolidates with another district, the composition of the board shall be determined in a manner that is:

(1) equitable for the residents of the district as provided by Chapter 36, Water Code; and

(2) otherwise in compliance with Subchapter K, Chapter 36, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.057. VOTE REQUIRED FOR OFFICIAL BOARD ACTION. An official action of the board is not valid without the affirmative vote of a majority of the directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.058. OFFICERS. (a) After each directors' election, the board shall:
(1) hold a regular meeting at the district office; and
(2) organize by electing from the directors a president, a vice president, and a secretary.

(b) A person selected to serve as president, vice president, or secretary serves in that capacity for a two-year term.

(c) The president, vice president, and secretary shall perform the duties and may exercise the powers specifically provided by this chapter or by order of the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.059. GENERAL MANAGER. (a) The general manager may execute a bond in the amount determined by the board, payable to the district, and conditioned on the faithful performance of the general manager's duties. The district shall pay for the bond.

(b) The general manager is entitled to receive the compensation provided by the district's budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.060. TREASURER AND ATTORNEY. (a) The board may appoint a treasurer and an attorney for the district.

(b) The person appointed as treasurer shall execute a bond in the amount determined by the board, payable to the district, conditioned on the faithful performance of the treasurer's duties. The district shall pay for the bond.

(c) A person appointed under this section is entitled to the compensation provided by the district's budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.061. ENGINEER. The board may:

(1) appoint or contract with a competent professional engineer for the district; and

(2) determine the amount of compensation to be paid to the
engineer.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.062. EMPLOYEES AND CONTRACT PERSONNEL. (a) The general manager or the board may:

(1) employ other persons necessary to properly handle the district's business and operation; and

(2) employ or contract with expert and specialized personnel who are necessary to carry out this chapter.

(b) The board shall determine the terms of employment and the compensation to be paid to employees under this section.

(c) The district shall pay for any bond that an employee of or a person under contract with the district is required to furnish under Section 36.057(d), Water Code.

(d) The general manager or the board may dismiss an employee of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.063. DISTRICT OFFICE. The board shall maintain an office in the district for conducting district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.064. MEETINGS. The board shall hold regular meetings at the district office on dates established by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.065. RECORDS. (a) The board shall keep a complete written account of board meetings and other proceedings and shall preserve the board's minutes, contracts, plans, notices, accounts,
receipts, and other records in a secure manner at the district's office.

(b) Minutes, contracts, plans, notices, accounts, receipts, and other records are the property of the district and are subject to public inspection.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8845.101. GENERAL POWERS AND DUTIES. Except to the extent of any conflict with this chapter or as specifically limited by this chapter, the district may exercise the powers granted by, and shall exercise the duties provided by, Chapter 36 and Subchapters H and I, Chapter 49, Water Code, to carry out the purpose of the district and this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.102. RULES. (a) The board may adopt rules necessary to carry out the purpose and powers under this chapter and may enforce those rules by injunction, mandatory injunction, or other appropriate remedies in court.

(b) In addition to the rules adopted under Subsection (a), the board may:

(1) adopt and enforce rules as provided by Chapter 36, Water Code; and

(2) adopt rules necessary for the exercise of district powers and duties under Subchapters H and I, Chapter 49, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.103. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property in the district if the property interest is necessary to the exercise of the authority conferred by this chapter.
(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, but the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.104. CONTROL, STORAGE, AND PRESERVATION OF STORM WATER AND FLOODWATER. Subject to obtaining the permits required by law, the district may control, store, and preserve the storm water and floodwater in the district and the water of the rivers and streams in the district for:

(1) irrigation of arid land;
(2) prevention of floods and flood damage in the district; and
(3) domestic, agricultural, and industrial uses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.105. RECLAMATION. The district may:

(1) reclaim land in the district; and
(2) construct works, facilities, and improvements necessary to accomplish that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.106. SOIL CONSERVATION AND IMPROVEMENT. The district may construct and maintain terraces or other structures on land in the district and may engage in or promote land treatment measures for soil conservation and improvement.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Sec. 8845.107. ACQUISITION OF PROPERTY. The district may acquire land or other property necessary to carry out this chapter by gift, grant, devise, lease, purchase, or condemnation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.108. SALE AND DISPOSAL OF PROPERTY. Subject to this chapter and Chapter 36 and Subchapters H and I, Chapter 49, Water Code, the district may sell or otherwise dispose of land and other property of the district that is not necessary to carry out the purpose or powers of the district as determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.109. IMPROVEMENTS AND FACILITIES. (a) The district may construct or acquire and improve and maintain works, facilities, and improvements necessary to carry out the purpose, powers, and plans of the district.

(b) The district shall construct and acquire works, facilities, and improvements in the manner provided by Subchapters H and I, Chapter 49, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.110. INPUT WELLS. The district may drill, equip, operate, and maintain input wells, pumps, and other facilities to carry out its purpose and powers under this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.111. STUDIES AND SURVEYS. (a) The board may have a professional engineer conduct studies and surveys of the groundwater and surface water supplies in the district and the facilities
available for use in the conservation, preservation, protection, recharge, and prevention of waste and pollution of those water resources.

(b) A professional engineer may determine the quantities of groundwater and surface water available in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.112. RESEARCH; INFORMATION. The district may engage in research projects and develop information to be used by the district in preparing and implementing the district's plans and in carrying out the district's powers and duties under this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.113. DISTRICT PLANS. (a) The district shall develop and implement comprehensive plans for the conservation, preservation, protection, recharge, and prevention of waste and pollution of groundwater and surface water in the district.

(b) The plans must include all works, facilities, and improvements necessary to implement the plans and the specifications for those works, facilities, and improvements.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.114. SERVICE OF PROCESS. Service of process in a suit may be had by serving the general manager.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.115. PAYMENT OF JUDGMENTS. A court of this state that renders a money judgment against the district may require the board to pay the judgment from money in the district depository that
is not dedicated to the payment of any indebtedness of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.116. CERTAIN PERMIT DENIALS PROHIBITED. If the district regulates production of groundwater by permit as authorized by Chapter 36, Water Code, the board may not deny a permit to drill a well to the owner of land or the owner's heirs, assigns, and lessees on that land that complies with rules adopted by the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.117. PROHIBITION: SUPPLY OF WATER. The district may not contract to or take an action to supply groundwater or surface water inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8845.151. MAINTENANCE AND OPERATIONS TAX; ELECTION. (a) The district may annually impose an ad valorem tax on property in the district for use in maintaining district facilities and paying district operating expenses.

(b) The district may not impose a maintenance and operations tax until it is approved by a majority vote of the district voters voting at an election held for that purpose.

(c) The directors shall publish notice of a maintenance and operations tax election at least one time in a newspaper or newspapers that have general circulation in the district. The notice must be published before the 30th day preceding the date of the election.

(d) The directors shall declare the result of a maintenance and operations tax election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
Sec. 8845.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the annual budget.

(b) Notice of the hearing must be published in a newspaper or newspapers having general circulation in the district at least 10 days before the date of the hearing.

(c) Any district resident is entitled to be present at and participate in the hearing.

(d) At the conclusion of the hearing, the board shall act on the budget and may make changes in the proposed budget that in the board's judgment the interests of the taxpayers demand.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.153. INVESTMENT OF DISTRICT MONEY. (a) District money may be invested by the board or its authorized representative in direct or indirect obligations of the United States, the state, or any political subdivision of the state.

(b) District money may be placed in certificates of deposit of state or national banks or savings and loan associations in this state, if that money is secured in the manner provided for the security of county funds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.154. ANNUAL AUDIT. The board shall annually have an audit made of the financial condition of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8845.155. BORROWING MONEY. The district may borrow money for any purpose authorized by this chapter or any combination of those purposes.
Sec. 8845.156. PROHIBITION ON BONDS. The district may not issue bonds or impose an ad valorem tax to secure the payment of bonds.

Sec. 8845.157. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the annual budget or an amendment to the annual budget.

CHAPTER 8846. KINNEY COUNTY GROUNDWATER CONSERVATION DISTRICT

Sec. 8846.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commissioners court" means the Kinney County Commissioners Court.
(3) "Director" means a board member.
(4) "District" means the Kinney County Groundwater Conservation District.

Sec. 8846.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Kinney County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 8846.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8846.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Kinney County, Texas, unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or

(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8846.005. DISTRICT NAME CHANGE. The board may change the district's name when the district annexes territory.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8846.006. CONTRACTS FOR ELECTION SERVICES. The district shall contract with the county clerk of Kinney County to conduct the district's elections.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8846.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of seven directors.
(b) Directors serve staggered four-year terms.
(c) A director may serve consecutive terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8846.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the method provided by this section.
(b) Three at-large directors are elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.
(c) A person shall indicate on the application for a place on the ballot the position on the board for which the person is a candidate.
(d) At the first election after the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, each director in office on the effective date of the change, or elected to a term of office beginning on or after the effective date of the change, shall serve, unless otherwise removed as provided by law, in the position to which each was elected for the entire term to which elected, even though the change in boundaries places the director's residence outside the precinct from which the director was elected.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8846.053. ELECTION DATE. On the first Tuesday after the first Monday in November of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8846.054. ELIGIBILITY. (a) To be eligible to be a candidate for or to serve as a director at large, a person must be a registered voter in the district and:
(1) for position one, reside in the district;
(2) for position two, reside in the city of Brackettville; and
(3) for position three, reside in the Fort Clark Springs Municipal Utility District.

(b) To be eligible to be a candidate for or to serve as a director from a county commissioners precinct, a person must:
(1) be a registered voter of that precinct; and
(2) reside in a rural area of that precinct.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8846.055. BOARD VACANCY. (a) The commissioners court shall appoint a replacement to fill a vacancy in the office of director.

(b) The appointed replacement serves until the next directors' election.

(c) At that election, a person is elected to fill the position. If the position is not scheduled to be filled at the election, the person elected to fill the position serves only for the remainder of the unexpired term.

 Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8846.056. COMPENSATION; EXPENSES. (a) A director may not receive compensation for performing duties as a director.

(b) A director shall be reimbursed for actual reasonable expenses incurred in performing duties as a director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8846.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation.
districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8846.151. TAXES. To pay the district's maintenance and operating expenses, each year the district may impose an ad valorem tax at a rate not to exceed 10 cents for each $100 of assessed valuation if a majority of the voters:

(1) approved the authority to impose the tax at the confirmation election; or

(2) approve that authority at a separate election called for that purpose by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8846.152. FEES. The district may:

(1) impose a fee on water exported from the district; and

(2) assess other fees as authorized by Chapter 36, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

**CHAPTER 8847. PINERYWOODS GROUNDWATER CONSERVATION DISTRICT**

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8847.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Pineywoods Groundwater Conservation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
Sec. 8847.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Angelina and Nacogdoches Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Angelina and Nacogdoches Counties unless the district's territory has been modified under:

(1) Section 8847.005;
(2) Subchapter J or K, Chapter 36, Water Code; or
(3) other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.005. ADDITION OF ADJACENT COUNTY TO DISTRICT. (a) An adjacent county may petition to join the district by resolution of the commissioners court of the county.

(b) If, after a hearing on the resolution, the board finds that the addition of the county would benefit the district and the county to be added, the board by resolution may approve the addition of the county to the district.

(c) The addition of a county to the district under this section is not final until ratified by a majority vote of the voters in the county to be added voting in an election held for that purpose.
(d) The ballots for the election shall be printed to provide for voting for or against the proposition: "The inclusion of _______ County in the Pineywoods Groundwater Conservation District."

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.006. LANDOWNERS' RIGHTS. The rights of landowners and their lessees and assigns in groundwater within the district are recognized. Nothing in this chapter may be construed to deprive or divest the landowners or their lessees or assigns of those rights, subject to district rules.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8847.051. COMPOSITION OF BOARD; TERMS. (a) Except as provided by Section 8847.053, the district is governed by a board of seven directors appointed under Section 8847.052.

(b) Directors serve three-year terms.

(c) A director may serve consecutive terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.052. APPOINTMENT OF DIRECTORS BY INITIAL COUNTIES. (a) The Angelina County Commissioners Court shall appoint two directors. One director shall represent the rural water and utilities and small municipal water supply interests. The other director shall represent the large industrial groundwater supply interests of the county.

(b) The Nacogdoches County Commissioners Court shall appoint two directors. One director shall represent the rural water and utilities and small municipal water supply interests. The other director shall represent the forestry or agricultural groundwater supply interests of the county.

(c) The Lufkin City Council shall appoint one director.
(d) The Nacogdoches City Council shall appoint one director.

(e) The Angelina County Commissioners Court and the Nacogdoches County Commissioners Court shall jointly appoint one director to represent the forestry, agricultural, or landowner groundwater interests of both counties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.053. APPOINTMENT OF DIRECTORS BY ADDITIONAL COUNTIES. When a county is added to the district, the board may change the number of directors so that an equal number of directors are appointed from each county and one director is appointed jointly by the counties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.054. BOARD VACANCY. If there is a vacancy on the board, the governing body of the entity that appointed the director who vacated the office shall appoint a director to serve the remainder of the term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.055. COMPENSATION; EXPENSES. (a) A director is not entitled to receive compensation for serving as a director.

(b) A director may be reimbursed for actual, reasonable expenses incurred in discharging official duties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.056. VOTE REQUIRED FOR BOARD ACTION. A majority vote of a quorum of the board is required for board action. If there is a tie vote, the proposed action fails.
Sec. 8847.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this subchapter and Subchapter D, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8847.102. TRANSFER OF GROUNDWATER OUT OF DISTRICT. (a) The district by rule may require a person to obtain a permit from the district for the transfer of groundwater out of the district consistent with Section 36.122, Water Code, and may regulate the terms on which a permit holder under those rules may conduct such a transfer.

(b) A retail public utility as defined by Section 13.002, Water Code, is not required to obtain a permit to transfer groundwater out of the district if:

(1) the source of the water is one or more wells located within the district; and

(2) the water is used by the retail public utility to provide retail water utility service, as defined by Section 13.002, Water Code, in a service area located in a county adjacent to the district.

Sec. 8847.103. WELLS EXEMPT FROM REGULATION. (a) The district may not require a permit for a well incapable of producing more than 25,000 gallons of groundwater a day.

(b) A well meeting the criteria established under Section 36.117, Water Code, including a well used for dewatering and
monitoring in the production of coal and lignite, is exempt from permit requirements, regulations, and fees imposed by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.104. LIMIT ON PURCHASE OF GROUNDWATER RIGHTS. The district may not purchase groundwater rights unless the purchased rights are acquired for conservation purposes and are permanently held in trust not to be produced.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.105. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8847.151. TAXES PROHIBITED. The district may not impose taxes in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.152. TAX BONDS PROHIBITED. The district may not issue and sell any bonds or notes that pledge revenue derived from taxation in the name of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8847.153. PERMIT FEES. (a) The board by rule may impose a reasonable fee on each well for which a permit is issued by the
district and that is not exempt from regulation by the district.

(b) The fee must be based on the amount of water to be withdrawn from the well.

(c) The fee may not exceed $0.025 per thousand gallons of groundwater withdrawn for any purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

CHAPTER 8848. LONE WOLF GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8848.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Lone Wolf Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8848.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8848.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8848.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Mitchell County unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8848.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8848.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method as provided by this section.

(b) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.

(c) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or
(2) that the person seeks to represent the district at large.

(d) When the boundaries of the county commissioners precincts are changed, each director in office on the effective date of the change or elected to a term of office beginning on or after the effective date of the change serves in the precinct to which the director was elected for the entire term to which the director was elected, even though the change in boundaries places the person's residence outside the precinct for which the person was elected.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8848.053. ELECTION DATE. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8848.054. ELIGIBILITY. (a) To be eligible to be a candidate for or to serve as director at large, a person must be a registered voter in the district.

(b) To be eligible to be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct, except as provided by Section 8848.052(d).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8848.055. COMPENSATION. A director is not entitled to fees of office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8848.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8848.151. LIMITATION ON TAX RATE FOR DEBT. The district may impose an ad valorem tax at a rate not to exceed 20 cents for
each $100 of assessed valuation to pay any part of the bonds or notes
issued by the district if a majority of the voters approve:
    (1) the authority to impose the tax at the confirmation
election; or
    (2) that authority at a separate election called for that
purpose by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
eff. April 1, 2011.

CHAPTER 8849. LOST PINES GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8849.001. DEFINITIONS. In this chapter:
    (1) "Board" means the district's board of directors.
    (2) "Director" means a board member.
    (3) "District" means the Lost Pines Groundwater
Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
eff. April 1, 2011.

Sec. 8849.002. NATURE OF DISTRICT. The district is a
groundwater conservation district created under and essential to
accomplish the purposes of Section 59, Article XVI, Texas
Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
eff. April 1, 2011.

Sec. 8849.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
district is created to serve a public use and benefit.
    (b) All land and other property included in the district will
benefit from the works and projects accomplished by the district
under the powers conferred by Section 59, Article XVI, Texas
Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05,
eff. April 1, 2011.
Sec. 8849.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Bastrop and Lee Counties unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or

(2) other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8849.005. CONFLICTS OF LAW. The following provisions prevail over a conflicting or inconsistent provision of this chapter:

(1) Sections 36.1071-36.1073, Water Code;

(2) Sections 36.159-36.161, Water Code; and

(3) Subchapter I, Chapter 36, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.025, eff. September 1, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8849.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of 10 directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8849.052. APPOINTMENT OF DIRECTORS. (a) Five directors are appointed from Bastrop County by the county judge of Bastrop County and five directors are appointed from Lee County by the county judge of Lee County.

(b) Every two years after the initial appointment of directors, the appropriate number of directors shall be appointed.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.
Sec. 8849.053. BOARD VACANCY. If a vacancy occurs on the board, the board may appoint a director to serve the remainder of the term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8849.054. EXPENSES. A director is entitled to reimbursement for actual reasonable expenses incurred in performing duties as a director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8849.055. LIABILITY. For liability purposes only, a director is considered a district employee under Chapter 101, Civil Practice and Remedies Code, even if the director does not receive fees of office voluntarily, by district policy, or through a statutory exception to this section. A director is immune from suit and immune from liability for official votes and official actions.

Added by Acts 2015, 84th Leg., R.S., Ch. 1196 (S.B. 1336), Sec. 5, eff. September 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8849.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8849.102. AUTHORITY TO EXEMPT CERTAIN WELLS FROM REGULATION. The district may adopt a rule exempting a well that is not capable of producing more than 50,000 gallons of groundwater a
day from a permit requirement, a fee, or a restriction on production.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8849.103. GROUNDWATER WELLS UNDER JURISDICTION OF RAILROAD COMMISSION. (a) In this section:
(1) "Public utility" means any person, corporation, public utility, water supply or sewer service corporation, municipality, political subdivision, or agency operating, maintaining, or controlling facilities in this state for providing potable water service for compensation.
(2) "Railroad commission" means the Railroad Commission of Texas.
(b) A groundwater well drilled or operated in the district under a permit issued by the railroad commission is under the exclusive jurisdiction of the railroad commission and is exempt from regulation by the district.
(c) Groundwater produced in an amount authorized by a railroad commission permit may be used in or exported from the district without a permit from the district.
(d) To the extent groundwater production exceeds railroad commission authorization, the holder of the railroad commission permit:
(1) shall apply to the district for the appropriate permit for the excess production; and
(2) is subject to the applicable regulatory fees.
(e) Groundwater produced from a well under the jurisdiction of the railroad commission is generally exempt from water district fees. However, the district may impose a pumping fee or an export fee on groundwater produced from an otherwise exempt mine well that is used for municipal purposes or by a public utility. A fee imposed by the district under this subsection may not exceed the fee imposed on other groundwater producers in the district.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8849.104. MEMBERSHIP ON CENTRAL CARRIZO-WILCOX
COORDINATING COUNCIL. The district is a member of the Central Carrizo-Wilcox Coordinating Council.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8849.105. MANAGEMENT PLAN. The district shall develop or contract to develop a district management plan under Section 36.1071, Water Code, and submit the plan to the Central Carrizo-Wilcox Coordinating Council to be included in the management plan developed by the council.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.05, eff. April 1, 2011.

Sec. 8849.106. REGIONAL COOPERATION. The district shall:

(1) adopt a management plan detailing proposed efforts of the district to cooperate with other groundwater conservation districts;

(2) participate as needed in coordination meetings with adjacent groundwater conservation districts that share one or more aquifers with the district;

(3) coordinate the collection of data with adjacent groundwater conservation districts in such a way as to achieve relative uniformity of data type and quality;

(4) provide groundwater level information to adjacent groundwater conservation districts;

(5) investigate any groundwater pollution to identify the pollution's source;

(6) notify adjacent groundwater conservation districts and all appropriate agencies of any groundwater pollution detected and the source of the pollution identified;

(7) provide to adjacent groundwater conservation districts annually an inventory of water wells in the district and an estimate of groundwater production in the district; and

(8) include adjacent groundwater conservation districts on mailing lists for district newsletters and information regarding seminars, public education events, news articles, and field days.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8849.151. PUMPING FEES. (a) The district may assess regulatory pumping fees for water produced in or exported from the district.

(b) The regulatory pumping fees the district assesses for water for crop or livestock production or other agricultural uses may not exceed 20 percent of the rate applied to water for municipal uses.

(c) Regulatory pumping fees based on the amount of water withdrawn from a well may not exceed:

(1) $1 for each acre-foot for water used to irrigate agricultural crops; or

(2) 17 cents for each thousand gallons for water used for any other purpose.

(d) Combined regulatory pumping fees for production and export of water may not exceed 17 cents for each thousand gallons for water used.

Sec. 8849.152. TAXES PROHIBITED. The district may not impose a tax.

For contingent expiration of this chapter, see Section 8850.003.

CHAPTER 8850. HARRISON COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8850.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Harrison County Groundwater
Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Harrison County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

 Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8850.023 before December 31, 2010:

(1) the district is dissolved December 31, 2010, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Harrison County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Harrison County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION
DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8850.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms, with two or three directors' terms expiring June 1 of each even-numbered year.

(c) A director may serve consecutive terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) The directors of the district shall be elected according to the commissioners precinct method as provided by this section.

(b) One director shall be elected by the voters of the entire district, and one director shall be elected from each county commissioners precinct by the voters of that precinct.

(c) Except as provided by Subsection (e), to be eligible to be a candidate for or to serve as director at large, a person must be a registered voter in the district. To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

(d) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or
(2) that the person seeks to represent the district at large.

(e) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which elected or appointed
even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in May of each even-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.054. COMPENSATION. (a) Sections 36.060(a), (b), and (d), Water Code, do not apply to the district.

(b) A director is entitled to receive compensation of not more than $50 a day for each day the director actually spends performing the duties of a director. The compensation may not exceed $3,000 a year.

(c) The board may authorize a director to receive reimbursement for the director's reasonable expenses incurred while engaging in activities on behalf of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.055. BOARD ACTION. A majority vote of a quorum is required for board action. If there is a tie vote, the proposed action fails.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8850.101. GENERAL POWERS. Except as otherwise provided by this chapter, the district has all of the rights, powers, privileges,
functions, and duties provided by the general law of this state applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.102. PROHIBITION ON DISTRICT PURCHASE, SALE, TRANSPORT, OR DISTRIBUTION OF WATER. The district may not purchase, sell, transport, or distribute surface water or groundwater for any purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.103. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8850.151. LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds 1.5 cents on each $100 valuation of taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.152. FEES. (a) The board by rule may impose reasonable fees on each well:
   (1) for which a permit is issued by the district; and
   (2) that is not exempt from district regulation.

   (b) A production fee may be based on:
   (1) the size of column pipe used by the well; or
   (2) the amount of water actually withdrawn from the well, or the amount authorized or anticipated to be withdrawn.
(c) The board shall base the initial production fee on the criteria listed in Subsection (b)(2). The initial production fee:
(1) may not exceed:
   (A) 25 cents per acre-foot for water used for agricultural irrigation; or
   (B) 4.25 cents per thousand gallons for water used for any other purpose; and
(2) may be increased at a cumulative rate not to exceed three percent per year.
(d) In addition to the production fee authorized under this section, the district may assess an export fee on groundwater from a well that is produced for transport outside the district.
(e) Fees authorized by this section may be:
(1) assessed annually;
(2) used to pay the cost of district operations; and
(3) used for any other purpose allowed under Chapter 36, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

Sec. 8850.153. LIMITATION ON INDEBTEDNESS. The district may issue bonds and notes under Subchapter F, Chapter 36, Water Code, except that the total indebtedness created by that issuance may not exceed $500,000 at any time.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. June 19, 2009.

CHAPTER 8851. MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8851.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Middle Pecos Groundwater Conservation District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Sec. 8851.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8851.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8851.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Pecos County unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8851.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of 11 directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Sec. 8851.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the method provided by this section.

(b) One director is elected by the voters of the entire district. Two directors are elected from each county commissioners precinct by the voters of that precinct. One director is elected from Iraan by the voters of that municipality. One director is elected from Fort Stockton by the voters of that municipality.

(c) A person shall indicate on the application for a place on the ballot:

(1) the precinct or municipality that the person seeks to represent; or
(2) that the person seeks to represent the district at large.

(d) At the first election after the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, eight new directors are elected to represent the precincts. The directors shall draw lots to determine which four directors serve two-year terms and which four directors serve four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8851.053. ELECTION DATE. On the uniform election date in November of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.017(a), eff. September 1, 2013.

Sec. 8851.054. QUALIFICATIONS FOR OFFICE. (a) To be qualified to be a candidate for or to serve as director at large, a person must be a registered voter in the district.

(b) To be qualified to be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.
(c) To be qualified to be a candidate for or to serve as
director from a municipality, a person must be a registered voter of
that municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

Sec. 8851.055. BOARD VACANCY. (a) If there is a vacancy on the
board, the remaining directors shall appoint a director to serve the
remainder of the term.

(b) If at any time there are fewer than three qualified
directors, the Pecos County Commissioners Court shall appoint the
necessary number of persons to fill all the vacancies on the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

Sec. 8851.056. COMPENSATION; EXPENSES. A director may not
receive a salary or other compensation for service as a director but
may be reimbursed for actual expenses of attending meetings at the
rate in effect for employees of Pecos County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8851.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND
DUTIES. The district has the rights, powers, privileges, functions,
and duties provided by the general law of this state, including
Chapter 36, Water Code, applicable to groundwater conservation
districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03,
eff. April 1, 2013.

Sec. 8851.102. POWERS AND DUTIES NOT SUBJECT TO STATE
SUPERVISION. The rights, powers, privileges, functions, and duties
of the district are not subject to the continuing right of supervision of the state through the Texas Commission on Environmental Quality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8851.103. LIMITATION ON RULEMAKING POWER NOT APPLICABLE. Section 36.121, Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8851.104. GROUNDWATER FOR USE OUTSIDE DISTRICT. (a) The district may not impose a rule on the production of groundwater for use outside the district that is in addition to the rules the district imposes on the production of groundwater for use inside the district.

(b) In addition to other fees assessed by the district, the district may assess a fee on groundwater transferred out of the district in an amount not to exceed 10 percent of the amount of the fee assessed for the production of water for use in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

For contingent expiration of this chapter, see Section 8852.003.

CHAPTER 8852. BRUSH COUNTRY GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8852.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Brush Country Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.
Sec. 8852.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed in at least one of the territories described by Section 8852.023 at a confirmation election held before September 1, 2011:

(1) the district is dissolved on September 1, 2011, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred in equal amounts to Jim Hogg, Brooks, Hidalgo, and Jim Wells Counties; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2013.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries described in Section 2 of the Act creating this chapter form a closure. A mistake made in describing the district's boundaries in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose an assessment or tax; or

(4) legality or operation.
Sec. 8852.005. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve the legislative intent and purposes of Chapter 36, Water Code. A power granted by Chapter 36, Water Code, or this chapter shall be broadly interpreted to achieve that intent and those purposes.

Sec. 8852.021. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) David Grall;
(2) Mauro Garcia;
(3) Robert Scott;
(4) A. C. Jones IV;
(5) Mario Martinez;
(6) Israel Hinojosa;
(7) a person appointed by the commissioners courts of Brooks and Jim Hogg Counties within 60 days of the effective date of this Act;
(8) Jesse Howell;
(9) Pearson Knolle; and
(10) Lawrence Cornelius.

(b) If there is a vacancy on the temporary board, the remaining temporary directors shall select a qualified person to fill the vacancy.

(c) Unless the temporary director's term expires under Subsection (d), a temporary director serves until the earlier of:

(1) the date the temporary director becomes an initial permanent director under Section 8852.024; or
(2) the date this chapter expires under Section 8852.003.

(d) The following temporary directors' terms expire on the date of the canvass of the election to confirm the creation of the district:
(1) David Grall and Mauro Garcia, if the voters in the territory described by Section 8852.023(a)(3) vote not to confirm the creation of the district;

(2) Robert Scott, if the voters in the territory described by Section 8852.023(a)(1) vote not to confirm the creation of the district;

(3) A. C. Jones IV and Mario Martinez, if the voters in the territory described by Section 8852.023(a)(5) vote not to confirm the creation of the district;

(4) Israel Hinojosa, if the voters in the territory described by Section 8852.023(a)(4) vote not to confirm the creation of the district;

(5) a person appointed by the commissioners courts of Brooks and Jim Hogg Counties, if the creation of the district is confirmed by voters of none of the territories described by Section 8852.023;

(6) Jesse Howell and Pearson Knolle, if the voters in the territory described by Section 8852.023(a)(6) vote not to confirm the creation of the district; and

(7) Lawrence Cornelius, if the voters in the territory described by Section 8852.023(a)(2) vote not to confirm the creation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 36.055, Water Code, a majority of the temporary directors shall convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. If an agreement on location cannot be reached, the organizational meeting shall be at the Brooks County Courthouse.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.023. CONFIRMATION ELECTION. (a) The temporary board shall hold an election in each of the following territories in the
district to confirm the creation of the district and the imposition of a maintenance tax:

(1) the territory in the corporate limits of the city of Falfurrias as of January 1, 2009;

(2) the territory in the corporate limits of the city of Alice as of January 1, 2009;

(3) the territory:
   (A) in Brooks County that, as of January 1, 2009, is:
      (i) outside the corporate limits of the city of Falfurrias; and
      (ii) not in the Kenedy County Groundwater Conservation District; and
   (B) in Hidalgo County that is:
      (i) described by a metes and bounds description in Section 2 of the Act creating this chapter; and
      (ii) not in the Kenedy County Groundwater Conservation District as of January 1, 2009;

(4) the territory in the certificated retail water service area of the Jim Hogg County Water Control and Improvement District No. 2 as of January 1, 2009;

(5) the territory in Jim Hogg County that is outside the certificated retail water service area of the Jim Hogg County Water Control and Improvement District No. 2 as of January 1, 2009; and

(6) the territory in Jim Wells County that, as of January 1, 2009, is:
   (A) outside the corporate limits of the city of Alice; and
   (B) not in the Kenedy County Groundwater Conservation District.

(b) Section 41.001(a), Election Code, does not apply to a confirmation election held as provided by this section.

(c) Except as provided by this section, an election under this section must be conducted as provided by Sections 36.017(b), (c), and (e), Water Code, and the Election Code.

(d) The ballot for the election must be printed to provide for voting for or against the proposition: "The creation of the Brush Country Groundwater Conservation District and the levy of an ad valorem tax in the district at a rate not to exceed three cents for each $100 of assessed valuation."

(e) If the majority of voters in a territory described by
Subsection (a) voting at an election held under this section vote to confirm the creation of the district, that territory is included in the district. If the majority of voters in a territory described by Subsection (a) voting at an election held under this section vote not to confirm the creation of the district, that territory is excluded from the district.

(f) If the majority of voters in any of the territories described by Subsection (a) voting at an election held under this section vote not to confirm the creation of the district, the temporary board or any successor board may hold a subsequent confirmation election in that territory.

(g) The district may not impose a maintenance tax unless the tax is confirmed under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.024. INITIAL PERMANENT DIRECTORS. (a) If the creation of the district is confirmed at an election held under Section 8852.023 in one or more territories in the district, each temporary director who represents a territory that is included in the district becomes an initial permanent director of the district.

(b) The initial permanent directors shall draw lots to determine which directors serve a term expiring on June 1 of the first even-numbered year after the confirmation election and which directors serve a term expiring on June 1 of the next even-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.025. GIFTS AND GRANTS. The temporary board may solicit and accept gifts and grants, including services, on the district's behalf from any public or private source to provide revenue for the district before a confirmation election is held under Section 8852.023.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.
Sec. 8852.026. RIGHT OF CERTAIN LANDOWNERS TO WITHDRAW FROM DISTRICT. A person who owns a tract of land in Brooks or Hidalgo County that adjoins the boundaries of the Kenedy County Groundwater Conservation District as of the effective date of the Act creating this chapter may petition the Kenedy County Groundwater Conservation District for annexation into that district. Notwithstanding any other law, the Kenedy County Groundwater Conservation District may annex territory described by a petition under this section. Territory annexed by the Kenedy County Groundwater Conservation District under this section not later than January 1, 2010, is disannexed at that time from the district created by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.027. LIMITATION OF POWERS OF TEMPORARY BOARD. (a) The temporary board may exercise only the powers described by Sections 8852.022, 8852.023, and 8852.025.

(b) Except as required by a law or rule relating to participation in a groundwater management area in which the district is located, the temporary board may not:

(1) adopt rules, including rules regarding wells; or
(2) develop a draft or final management plan.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8852.051. APPOINTMENT OF DIRECTORS; TERMS. (a) Not later than June 1 of each even-numbered year, the Commissioners Courts of Brooks County, Jim Hogg County, and Jim Wells County shall appoint directors as follows:

(1) the Commissioners Court of Brooks County shall appoint:
   (A) one director who represents the municipal interests of the territory described by Section 8852.023(a)(1), if the territory described by Section 8852.023(a)(1) is included in the district; and
(B) two directors who represent the agricultural interests of the territory described by Sections 8852.023(a)(3)(A) and (B), if the territory described by Sections 8852.023(a)(3)(A) and (B) is included in the district;

(2) the Commissioners Court of Jim Hogg County shall appoint:

(A) one director who represents the interests of Jim Hogg County in the territory described by Section 8852.023(a)(4), if the territory described by Section 8852.023(a)(4) is included in the district; and

(B) two directors who represent the agricultural interests of the territory described by Section 8852.023(a)(5), if the territory described by Section 8852.023(a)(5) is included in the district;

(3) the Commissioners Court of Jim Wells County shall appoint:

(A) one director who represents the municipal interests of the territory described by Section 8852.023(a)(2), if the territory described by Section 8852.023(a)(2) is included in the district; and

(B) two directors who represent the agricultural interests of the territory described by Section 8852.023(a)(6), if the territory described by Section 8852.023(a)(6) is included in the district; and

(4) the Commissioners Courts of Brooks County and Jim Hogg County jointly shall appoint one director to represent the industrial and mining interests of Jim Hogg and Brooks Counties.

(b) Directors serve staggered four-year terms that expire on June 1 of an even-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.052. ELIGIBILITY. (a) A director is not disqualified from service because the director is an employee, manager, director of the board, or officer of a groundwater producer that is or may be regulated by the district.

(b) A temporary director whose term of office expires under Section 8852.021(d) is not eligible for appointment as a director.
Sec. 8852.053. COMPENSATION; REIMBURSEMENT. (a) Notwithstanding Section 36.060, Water Code, a director is not entitled to receive compensation for performing the duties of a director. 

(b) A director is entitled to receive reimbursement for the director's reasonable expenses incurred while engaging in activities on behalf of the district in accordance with Sections 36.060(b) and (c), Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.054. VACANCY. A vacancy in the office of director shall be filled by appointment of the board in a manner consistent with the representational requirements of Section 8852.051. The appointed director serves only for the remainder of the unexpired term to which the director was appointed.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8852.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, and Section 59, Article XVI, Texas Constitution, applicable to groundwater conservation districts.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.102. CONTRACTS. The district may enter into a contract with any person, public or private, for any purpose authorized by law.
Sec. 8852.103. EXEMPTIONS FROM PERMIT REQUIREMENTS. (a) Section 36.117, Water Code, applies to the district except that for the purposes of applying that section to the district, "domestic use" and "livestock use" have the meanings assigned by Subsection (b).

(b) In this section:

(1) "Domestic use":

(A) means the use of groundwater by an individual or a household to support domestic activities, including the use of groundwater for:

(i) drinking, washing, or culinary purposes;
(ii) irrigating a lawn or a family garden or orchard;
(iii) watering domestic animals; or
(iv) water recreation, including aquatic and wildlife enjoyment; and

(B) does not include the use of water:

(i) to support an activity for which consideration is given or received or for which the product of the activity is sold; or

(ii) by or for a public water system.

(2) "Livestock use" means the use of groundwater for the open-range watering of livestock, exotic livestock, game animals, or fur-bearing animals. For purposes of this subdivision, "livestock" and "exotic livestock" have the meanings assigned by Sections 1.003 and 142.001, Agriculture Code, respectively, and "game animal" and "fur-bearing animal" have the meanings assigned by Sections 63.001 and 71.001, Parks and Wildlife Code, respectively. Livestock use does not include use by or for a public water system.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.104. EFFECTS OF TRANSFER. (a) In reviewing a proposed transfer of groundwater out of the district in accordance with Section 36.122(f), Water Code, the district shall determine
whether the proposed transfer would have a negative effect on:

(1) the availability of water in the district;
(2) the conditions of any aquifer that overlies the district;
(3) subsidence in the district;
(4) existing permit holders or other groundwater users in the district; and
(5) any applicable approved regional water plan or certified district management plan.

(b) If the district determines under Subsection (a) that the transfer would have a negative effect, the district may, in addition to the conditions authorized by Section 36.122, Water Code, impose other requirements or limitations on the permit that are designed to minimize the effect.

(c) Sections 36.122(c), (i), and (j), Water Code, do not apply to a requirement or limitation imposed under this section.

(d) The district may impose a fee or surcharge as an export fee. The restrictions under Section 36.122(e), Water Code, do not apply to a fee or surcharge imposed under this subsection.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.105. APPLICABILITY OF DISTRICT REGULATIONS. Groundwater regulations adopted by the district under this chapter apply to all persons except as exempted under Section 36.117, Water Code, or this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.107. LANDOWNERS' RIGHTS. The rights of landowners
and their lessees and assigns in groundwater in the district are recognized. Nothing in this chapter shall be construed to deprive or divest the owners or their lessees and assigns of their rights, subject to district rules.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.108. LIMITATION ON RULEMAKING POWER NOT APPLICABLE. Section 36.121, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8852.151. REVENUE. To pay the maintenance and operating costs of the district and to pay any bonds or notes issued by the district, the district may impose ad valorem taxes at a rate not to exceed three cents on each $100 of assessed valuation of taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.152. GRANTS, GIFTS, AND DONATIONS. The district may solicit and accept grants, gifts, and donations from any public or private source.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. DISSOLUTION

Sec. 8852.201. SUBCHAPTER CUMULATIVE. The provisions of this subchapter are cumulative of the provisions of Subchapter I, Chapter 36, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1,
Sec. 8852.202. DISSOLUTION BY ELECTION. (a) After January 1, 2016, the board shall order an election on the question of dissolving the district if the board receives a petition requesting that an election be held for that purpose that is signed by at least 15 percent of the district's registered voters.

(b) Not later than the 30th day after the date the board receives the petition, the directors shall:

(1) validate the signatures on the petition; and

(2) if the signatures are validated, order an election on the next uniform election date under Section 41.001, Election Code.

(c) The order calling the election must state the nature of the election, including the proposition that is to appear on the ballot.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.203. NOTICE OF ELECTION. Notice of an election under this subchapter must be provided by posting a copy of the order calling the election in at least one conspicuous place for at least 10 days before the day of the election at the county courthouse in Brooks County, Jim Hogg County, Jim Wells County, and Hidalgo County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.204. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Brush Country Groundwater Conservation District."

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

Sec. 8852.205. ELECTION RESULTS; DISPOSITION OF ASSETS. If a majority of the votes in an election under this subchapter favor
dissolution:

(1) the board shall find that the district is dissolved;

and

(2) Section 36.310, Water Code, applies for the purpose of disposition of the district's assets.

Added by Acts 2009, 81st Leg., R.S., Ch. 1396 (S.B. 2456), Sec. 1, eff. June 19, 2009.

CHAPTER 8853. KENEDY COUNTY GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8853.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Kenedy County Groundwater Conservation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8853.002. NATURE OF DISTRICT. (a) The district is a groundwater conservation district in Kenedy County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is a political subdivision of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8853.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
Sec. 8853.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1152, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J or K, Chapter 36, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district form a closure.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8853.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8853.052. ELECTION OF DIRECTORS. (a) The district is divided into five single-member districts for electing directors.

(b) One director is elected from each single-member district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8853.053. ELECTION DATE. Each even-numbered year, on the uniform election date in May or another date authorized by law, the appropriate number of directors shall be elected.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8853.054. QUALIFICATIONS FOR OFFICE. (a) To be a
candidate for or to serve as a director, a person must be a registered voter in the single-member district the person represents or seeks to represent.

(b) A director in office on the effective date of a change in the boundaries of a single-member district under Section 8853.056(a), or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve for the remainder of the director's term in the single-member district to which the director was elected or appointed even though the change in boundaries places the director's residence outside the district to which the director was elected or appointed.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8853.055. APPLICATION FOR PLACEMENT ON BALLOT. A person shall indicate on the application for a place on the ballot the single-member district the person seeks to represent.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8853.056. REVISION OF SINGLE-MEMBER DISTRICTS. (a) After each federal decennial census or as needed, the board may redraw the single-member districts to reflect population changes.

(b) If the district annexes territory, the annexed territory becomes part of one or more of the single-member districts as determined by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8853.057. COMPENSATION OF DIRECTORS. A director is not entitled to fees of office but is entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district.
Sec. 8853.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8853.151. LIMITATION ON TAXATION. The district may impose a tax to pay any part of bonds or notes issued by the district at a rate not to exceed 20 cents on each $100 of assessed valuation.

Sec. 8854.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Refugio Groundwater Conservation District.

Sec. 8854.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 8854.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Sec. 8854.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Refugio County unless the district's territory has been modified under:

(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Sec. 8854.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Sec. 8854.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method as provided by this section.

(b) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.

(c) A person shall indicate on the application for a place on
the ballot:
   (1) the precinct that the person seeks to represent; or
   (2) that the person seeks to represent the district at large.

(d) When the boundaries of the county commissioners precincts are changed, each director in office on the effective date of the change or elected to a term of office beginning on or after the effective date of the change serves in the precinct to which the director was elected for the entire term to which the director was elected, even though the change in boundaries places the person's residence outside the precinct for which the person was elected.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8854.053. ELECTION DATE. On the uniform election date in November of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8854.054. QUALIFICATIONS FOR OFFICE. (a) To be qualified to be a candidate for or to serve as director at large, a person must be a registered voter in the district.

(b) To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct, except as provided by Section 8854.052(d).

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8854.055. APPOINTMENT ON FAILURE TO QUALIFY. If a director fails to qualify for office, the commissioners court shall appoint a person to fill the vacancy.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 8854.101.  GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES.  The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8854.102.  AUTHORITY TO SET FEES.  (a)  In this section, "agriculture" includes:

(1) cultivating the soil;
(2) producing crops for:
   (A) human food;
   (B) animal feed;
   (C) planting seed; or
   (D) the production of fibers;
(3) floriculture, viticulture, silviculture, and horticulture, including the cultivation of plants in containers or non-soil media;
(4) raising, feeding, or keeping livestock or other animals for the production of food or fiber, leather, pelts, or other tangible products having a commercial value;
(5) wildlife management;
(6) planting cover crops, including cover crops cultivated for transplantation; and
(7) leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure.

(b)  The district may set and collect fees for all services provided outside the boundaries of the district.  The fees may not unreasonably exceed the cost to the district of providing the services outside the district.

(c)  The district may assess a production fee based on the amount of water a permit authorizes to be withdrawn from a well or the amount actually withdrawn.  The district may assess a production
fee instead of or in conjunction with any tax otherwise imposed by the district. The district may use production fee revenue for any lawful purpose. Production fees may not exceed:

1. $1 per acre-foot for water used for agriculture; or
2. $10 per acre-foot annually for water used for another purpose.

(d) The district may assess a production fee under Subsection (c) for water that is:

1. produced under an exemption under Section 36.117, Water Code; and
2. subsequently sold to another person.

(e) Notwithstanding Section 36.117, Water Code, the district may assess a production fee under Subsection (c) of this section for any water produced for injection into a geologic formation for the recovery of oil or natural gas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

CHAPTER 8855. PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8855.001. DEFINITIONS. In this chapter:

1. "Board" means the board of directors of the district.
2. "Director" means a member of the board.
3. "District" means the Prairielands Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.002. NATURE OF DISTRICT; FINDINGS. (a) The district is a groundwater conservation district initially composed of Ellis, Hill, Johnson, and Somervell Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is created to serve a public use and benefit.

(c) All of the land and other property included within the boundaries of the district will be benefited by the works and projects that are to be accomplished by the district under powers
conferred by this chapter and by Chapter 36, Water Code.

(d) Any fees imposed by the district under this chapter are necessary to pay for the costs of accomplishing the purposes of the district, including the conservation and management of groundwater resources, as provided by this chapter and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.003. DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Ellis, Hill, Johnson, and Somervell Counties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.004. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.005. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve the purposes expressed by this chapter and Chapter 36, Water Code. A power granted by this chapter or Chapter 36, Water Code, shall be broadly interpreted to achieve that intent and those purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

SUBCHAPTER B. INITIAL ORGANIZATION

Sec. 8855.021. APPOINTMENT OF INITIAL DIRECTORS. (a) The district is governed by a board of eight initial directors appointed as provided by Section 8855.051(a).
(b) Initial directors shall be appointed not later than the 90th day after the effective date of the Act enacting this chapter. If after the 90th day fewer than eight initial directors have been appointed, each unfilled initial director position shall be considered a vacancy and filled by the remaining initial directors.

(c) Except as provided under Subsection (b) for failure to appoint an initial director, if a vacancy occurs on the board in a position for which an initial director has previously been appointed, the appointing county commissioners court for the vacant position shall appoint a person to fill the vacancy in a manner that meets the representational requirements of Section 8855.051.

(d) To be eligible to serve as an initial director, a person must be a registered voter in the appointing county.

(e) Each initial director must qualify to serve as a director under Section 36.055, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.022. ORGANIZATIONAL MEETING OF INITIAL DIRECTORS. As soon as practicable after all the initial directors have qualified under Section 36.055, Water Code, a majority of the initial directors shall convene the organizational meeting of the district at a location in the district agreeable to a majority of the directors. If an agreement on location cannot be reached, the organizational meeting shall be held at a suitable location on the Hill College campus in Cleburne, Johnson County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.023. INITIAL TERMS. (a) The two initial directors appointed from each county shall draw lots to determine which director serves an initial term expiring August 31, 2011, and which director serves an initial term expiring August 31, 2013.

(b) Each successor director shall be appointed and shall serve in accordance with Subchapter C.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1,
SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8855.051. GOVERNING BODY; TERMS. (a) Except as provided by Subchapter D, the district is governed by a board of eight directors appointed as follows:

(1) two directors appointed by the Ellis County Commissioners Court;
(2) two directors appointed by the Hill County Commissioners Court;
(3) two directors appointed by the Johnson County Commissioners Court; and
(4) two directors appointed by the Somervell County Commissioners Court.

(b) Directors serve staggered four-year terms, with the term of one director from each of the four counties expiring on August 31 of each odd-numbered year.

(c) A director may serve multiple consecutive terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.052. DIRECTOR ELIGIBILITY; QUALIFICATION. (a) To be eligible to serve as a director, a person must be a registered voter in the appointing county.

(b) Each director must qualify to serve under Section 36.055, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.053. VACANCIES. If a vacancy occurs on the board, the appointing county commissioners court for the vacant position shall appoint a person to fill the vacancy. Section 36.051(c), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.
Sec. 8855.054. COMPENSATION; REIMBURSEMENT. (a) Notwithstanding Sections 36.060(a) and (d), Water Code, a director may not receive compensation for performing the duties of director. 

(b) A director is entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

SUBCHAPTER D. DISTRICT EXPANSION

Sec. 8855.071. EXPANSION OF DISTRICT BOUNDARIES. (a) After the effective date of the Act enacting this chapter, the district territory described in Section 8855.003 shall be expanded to include all of the territory in Navarro County, and the governing board described by Section 8855.051(a) shall be expanded to 10 members and include two directors appointed by the Navarro County Commissioners Court, if:

(1) pursuant to Chapter 35, Water Code, the Texas Commission on Environmental Quality designates all or any portion of the territory in Navarro County as a priority groundwater management area; and

(2) following the designation described by Subdivision (1), the commissioners court of Navarro County:
   (A) adopts a resolution that states, "By this action of the Navarro County Commissioners Court, all of the territory in Navarro County, Texas, shall, as of the date of this resolution, be included in the boundaries of the Prairielands Groundwater Conservation District"; and
   (B) appoints two directors who are registered to vote in Navarro County to the board.

(b) A person appointed under this section must qualify to serve under Section 36.055, Water Code.

(c) At the first regular meeting of the board following the qualification of both directors, the two directors appointed under this section shall draw lots to determine which director serves a term expiring August 31 of the first odd-numbered year after the
directors' appointment, and which director serves a term expiring August 31 of the next odd-numbered year.

(d) A director appointed under this section shall otherwise serve in accordance with Subchapter C.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

**SUBCHAPTER E. POWERS AND DUTIES**

Sec. 8855.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the powers and duties provided by the general law of this state applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution, including Chapter 36, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.102. CONTRACTS. The district may enter into a contract with any person, public or private, for any purpose authorized by law.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.103. APPLICABILITY OF DISTRICT REGULATIONS. Groundwater regulation under this chapter applies to all persons except as exempted from permitting under Section 36.117, Water Code, or this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.104. WELL SPACING RULES; EXEMPTIONS. (a) Except as provided by Subsection (b), the district shall exempt from the well spacing requirements adopted by the district any well that is
completed on or before the effective date of those requirements.

(b) The district may provide by rule that a well may lose its
exemption under this section if the well is modified in a manner that
substantially increases the capacity of the well after the effective
date of the well spacing requirements adopted by the district.

(c) Except as provided by this section and notwithstanding
Section 8855.103, the district may require a well or class of wells
exempt from permitting under Chapter 36, Water Code, to comply with
the well spacing requirements adopted by the district. The district
shall apply well spacing requirements uniformly to any well or class
of wells based on the size or capacity of the well and without regard
to the type of use of the groundwater produced by the well.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1,
eff. September 1, 2009.

Sec. 8855.105. REGISTRATION AND REPORTING REQUIREMENTS FOR
CERTAIN EXEMPT WELLS. The district may adopt rules that require the
owner or operator of a well or class of wells exempt from permitting
under Section 36.117, Water Code, to register the well with the
district and, except for a well exempt from permitting under Section
36.117(b)(1), to report groundwater withdrawals from the well using
reasonable and appropriate reporting methods and frequency.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1,
eff. September 1, 2009.

Sec. 8855.106. ENFORCEMENT. (a) The district may enforce this
chapter against any person in the manner provided by Chapter 36,
Water Code. In lieu of a remedy available to the district under
Section 36.102, Water Code, or in addition to those remedies, the
district may impose a fee in addition to a fee assessed under Section
8855.152 on a person producing groundwater in violation of a district
order or rule, including the failure or refusal to comply with any
district order or rule relating to reducing or ceasing groundwater
use. The purpose of a fee authorized by this subsection is to serve
as a disincentive to producing groundwater except as authorized by
the district.

(b) A fee imposed under Subsection (a) may not exceed an amount
equal to 10 times the amount of a fee assessed under Section 8855.152.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

Sec. 8855.151. TAXES PROHIBITED. The district may not impose a tax. Sections 36.020(a) and 36.201-36.204, Water Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

Sec. 8855.152. DISTRICT REVENUES. (a) The district by rule, resolution, or order may establish, amend, pledge, encumber, spend the proceeds from, and assess to any person production fees, based on the amount of groundwater authorized by permit to be withdrawn from a well or on the amount of water actually withdrawn, to enable the district to fulfill its purposes and regulatory functions as provided by this chapter. The district may use revenue generated by fees it assesses for any lawful purpose.

(b) Notwithstanding any provision of general law to the contrary, a fee authorized by Subsection (a) may not exceed:

(1) $1 per acre-foot annually for groundwater used for agricultural purposes; or

(2) 30 cents per thousand gallons annually for groundwater used for nonagricultural purposes.

(c) Notwithstanding any provision of general law or this chapter to the contrary, if any, the district may assess a production fee under this section for groundwater produced from a well or class of wells exempt from permitting under Section 36.117, Water Code, except for a well exempt from permitting under Section 36.117(b)(1). A production fee assessed by the district under this subsection must be based on the amount of groundwater actually withdrawn from the well and may not exceed the amount established by the district for permitted uses under Subsection (b)(2) of this section.

(d) Notwithstanding Section 36.1071(f), Water Code, the district by rule, resolution, or order before the adoption of its
management plan may:

(1) establish, assess, and enforce the collection of production fees under this section; and

(2) establish and enforce metering and reporting requirements, except for a well exempt from permitting under Section 36.117(b)(1), Water Code.

(e) The district by rule may establish a temporary or permanent discounted fee rate for persons who prepay production fees to the district under this section on or before the dates established by district rule.

Added by Acts 2009, 81st Leg., R.S., Ch. 1208 (S.B. 726), Sec. 1, eff. September 1, 2009.

For contingent expiration of this chapter, see Section 8856.004.

CHAPTER 8856. NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8856.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the North Texas Groundwater Conservation District.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.002. NATURE OF DISTRICT; FINDINGS. (a) The district is a groundwater conservation district in Collin, Cooke, and Denton Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is created to serve a public use and benefit.

(c) All of the land and other property included within the boundaries of the district will be benefited by the works and projects that are to be accomplished by the district under powers conferred by this chapter and by Chapter 36, Water Code.

(d) Any fees imposed by the district under this chapter are necessary to pay for the costs of accomplishing the purposes of the district, including the conservation and management of groundwater
resources, as provided by this chapter and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.003. PUBLIC HEARING IN EACH COUNTY. (a) Not later than December 1, 2009, the commissioners court of each county in the district shall hold a public hearing on the topic of including the territory of the county in the district.

(b) After the public hearings and not later than December 31, 2009, the commissioners court of each county shall vote to confirm or reject the county's inclusion in the district. The commissioners court shall adopt a resolution reflecting the result of that vote and provide a copy of the resolution to the temporary directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.004. CONFIRMATION REQUIRED. (a) The creation of the district is confirmed only if the commissioners courts of two or more of the counties in the district submit a resolution confirming the county's inclusion in the district to the temporary board. If the commissioners court of a county does not submit a resolution confirming the county's inclusion in the district to the temporary board, that county is not included in the district. The temporary board shall provide a copy of the resolutions and the final district boundaries to the Texas Commission on Environmental Quality.

(b) If the creation of the district is not confirmed as provided by Subsection (a) before January 1, 2010:

(1) the district is dissolved on January 1, 2010, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred in equal amounts to Collin, Cooke, and Denton Counties; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
Sec. 8856.005. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Collin, Cooke, and Denton Counties.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.006. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve the legislative intent and purposes of Chapter 36, Water Code. A power granted by Chapter 36, Water Code, or this chapter shall be broadly interpreted to achieve that intent and those purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8856.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of six or nine directors appointed as provided by this section.

(b) If the Commissioners Courts of Collin, Cooke, and Denton Counties confirm the inclusion of those counties in the district, nine directors shall be appointed as follows:

(1) the Collin County Commissioners Court shall appoint three directors;
(2) the Cooke County Commissioners Court shall appoint three directors; and

(3) the Denton County Commissioners Court shall appoint three directors.

(c) If the commissioners courts of only two of the counties confirm the inclusion of those counties in the district, the commissioners court of each of those counties shall appoint three directors.

(d) The commissioners court of each appointing county shall appoint two of the three directors from that county as follows:
   (1) one director from a slate of not more than three nominees submitted by the largest municipal groundwater producer in the county; and
   (2) one director from a slate of not more than three nominees submitted by the other groundwater producers in that county.

(e) Directors serve staggered four-year terms, with the term of one or two directors from each appointing county expiring on June 1 of each odd-numbered year.

(f) A director may serve multiple consecutive terms.

(g) A position on the board may not be construed to be a civil office of emolument for any purpose, including a purpose described by Section 40, Article XVI, Texas Constitution.

(h) A person who qualifies to serve on the board may serve as a director and participate in all votes relating to the business of the district regardless of any common law doctrine of incompatibility. Section 36.051, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.052. DIRECTOR ELIGIBILITY; QUALIFICATION. (a) To be eligible to serve as a director, a person must be a registered voter in the appointing county.

(b) Each director must qualify to serve in the manner provided by Section 36.055, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.
Sec. 8856.053. VACANCIES. If a vacancy occurs on the board, the commissioners court that appointed the director who vacated the office shall appoint a person to fill the vacancy in a manner that meets the representational requirements of Section 8856.051.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.054. COMPENSATION; REIMBURSEMENT. (a) Notwithstanding Sections 36.060(a) and (d), Water Code, a director may not receive compensation for performing the duties of director. (b) A director is entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.055. BOARD CHAIR. The board shall select one of its members to serve as the chair for a two-year term. The position of chair must rotate among the counties in the district every two years in alphabetical order by county.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8856.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.
Sec. 8856.102. CONTRACTS. The district may enter into a contract with any person, public or private, for any purpose authorized by law.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.103. APPLICABILITY OF DISTRICT REGULATIONS. Groundwater regulation under this chapter applies to all persons except as exempted from the requirement to obtain a permit for a well under Section 36.117, Water Code, or this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.104. WELL SPACING RULES; EXEMPTIONS. (a) Except as provided by Subsection (b), the district shall exempt from the well spacing requirements adopted by the district any well that is completed on or before the effective date of those requirements.

(b) The district may provide by rule that a well may lose its exemption under this section if the well is modified in a manner that substantially increases the capacity of the well after the effective date of the well spacing requirements adopted by the district.

(c) Except as provided by this section and notwithstanding Section 8856.103, the district may require any well or class of wells exempt from permitting under Chapter 36, Water Code, to comply with the well spacing requirements adopted by the district. The district shall apply well spacing requirements uniformly to any well or class of wells based on the size or capacity of the well and without regard to the type of use of the groundwater produced by the well.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.105. REGISTRATION AND REPORTING REQUIREMENTS FOR CERTAIN EXEMPT WELLS. The district may adopt rules that require the owner or operator of a well or class of wells exempt from permitting under Section 36.117, Water Code, to register the well with the
district and, except for a well exempt from permitting under Subsection (b)(1) of that section, to report groundwater withdrawals from the well using reasonable and appropriate reporting methods and frequency.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.106. ENFORCEMENT. (a) The district may enforce this chapter in the manner provided by Chapter 36, Water Code. In lieu of a remedy available to the district under Section 36.102, Water Code, or in addition to those remedies, the district may impose a fee in addition to a fee assessed under Section 8856.152 on a person producing groundwater in violation of a rule of the district, including the failure or refusal to comply with any order or rule of the district to reduce or cease groundwater usage. The purpose of a fee authorized under this subsection is to serve as a disincentive to producing groundwater except as authorized by the district.

(b) A fee imposed under Subsection (a) may not exceed an amount equal to 10 times the amount of a fee assessed under Section 8856.152.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

Sec. 8856.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8856.151. TAXES PROHIBITED. The district may not impose a tax. Sections 36.020(a) and 36.201-36.204, Water Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.
Sec. 8856.152. DISTRICT REVENUES. (a) The district by rule, resolution, or order may establish, amend, pledge, encumber, expend the proceeds from, and assess to any person production fees based on the amount of groundwater authorized by permit to be withdrawn from a well or on the amount of water actually withdrawn, to enable the district to fulfill its purposes and regulatory functions as provided by this chapter. The district may use revenues generated by fees it assesses for any lawful purpose.

(b) Notwithstanding any provision of general law to the contrary, a fee authorized by Subsection (a) may not exceed:

(1) $1 per acre-foot annually for groundwater used for agricultural purposes; or

(2) 30 cents per thousand gallons annually for groundwater used for nonagricultural purposes.

(c) Notwithstanding any provision of general law or this chapter to the contrary, if any, the district may assess a production fee under this section for groundwater produced from a well or class of wells exempt from permitting under Section 36.117, Water Code, except for a well exempted under Subsection (b)(1) of that section. A production fee assessed by the district under this subsection must be based on the amount of groundwater actually withdrawn from the well and may not exceed the amount established by the district for permitted uses under Subsection (b)(2) of this section.

(d) Notwithstanding Section 36.1071(f), Water Code, the district by rule, resolution, or order before the adoption of its management plan may:

(1) establish, assess, and enforce the collection of production fees under this section; and

(2) establish and enforce metering and reporting requirements, except for a well exempt from permitting under Section 36.117(b)(1), Water Code.

(e) The district by rule may establish a temporary or permanent discounted fee rate for persons who prepay production fees to the district under this section on or before the dates established by district rule.

(f) The district may not charge an export fee to a producer of groundwater withdrawn from a well in the district who distributes the water to any part of the territory under the provider's certificate.
of public convenience and necessity even if the territory is outside the district's boundaries.

Added by Acts 2009, 81st Leg., R.S., Ch. 248 (S.B. 2497), Sec. 1, eff. May 27, 2009.

CHAPTER 8857. TEXANA GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8857.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Texana Groundwater Conservation District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8857.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8857.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8857.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Jackson County unless the
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8857.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of seven directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8857.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method provided by this section.

(b) Three directors are elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.

(c) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or

(2) that the person seeks to represent the district at large.

(d) When the boundaries of the county commissioners precincts are changed, each director in office on the effective date of the change or elected to a term of office beginning on or after the effective date of the change serves in the precinct to which the director was elected for the entire term to which the director was elected, even though the change in boundaries places the person's residence outside the precinct for which the person was elected.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8857.053. ELECTION DATE. On the uniform election date in
November of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.018(a), eff. September 1, 2013.

Sec. 8857.054. QUALIFICATIONS FOR OFFICE. (a) To be qualified to be a candidate for or to serve as director at large, a person must be a registered voter in the district.

(b) To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct, except as provided by Section 8857.052(d).

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8857.055. BOARD VACANCY. If there is a vacancy on the board, the remaining directors shall appoint a director to serve the remainder of the term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8857.056. COMPENSATION; EXPENSES. A director may not receive a salary or other compensation for service as a director but may be reimbursed for actual expenses of attending meetings at the rate in effect for employees of Jackson County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8857.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions,
and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.

Sec. 8857.102. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES. (a) The district may contract with other governmental entities.
(b) The district may contract with other governmental entities to perform district functions.
(c) The district may not contract with a river authority to perform district functions except as provided by Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.019(a), eff. September 1, 2013.

Sec. 8857.103. NO EMINENT DOMAIN POWER. The district may not exercise the powers granted by Section 36.105, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.020(a), eff. September 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8857.151. LIMITATION ON TAXES. The district may not impose an ad valorem tax at a rate that exceeds two cents on each $100 valuation of taxable property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.03, eff. April 1, 2013.
Sec. 8858.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Kimble County Groundwater Conservation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8858.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Kimble County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8858.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
   (b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8858.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Kimble County, excluding that part of Kimble County that lies within the boundaries of Hickory Underground Water Conservation District No. 1, unless the district's territory has been modified under:
   (1) Subchapter J or K, Chapter 36, Water Code; or
   (2) other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8858.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8858.052. ELECTION OF DIRECTORS. (a) The district is divided into five numbered single-member districts for electing directors.
(b) One director is elected from each single-member district. A director elected from a single-member district represents the residents of that single-member district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8858.053. ELECTION DATE. Each even-numbered year, on the uniform election date in May or another date authorized by law, the appropriate number of directors shall be elected.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8858.054. QUALIFICATIONS FOR OFFICE. To be qualified to be a candidate for or to serve as director, a person must be a registered voter in the single-member district that the person represents or seeks to represent.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8858.055. REVISION OF SINGLE-MEMBER DISTRICTS. (a) The board may revise the single-member districts as necessary or appropriate.
(b) The board shall revise each single-member district after
each federal decennial census to reflect population changes.

(c) At the first election after the single-member districts are revised, a new director shall be elected from each district. The directors shall draw lots to determine which two directors serve two-year terms and which three directors serve four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8858.056. COMPENSATION; EXPENSES. A director is not entitled to fees of office but is entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8858.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8858.151. LIMITATION ON TAXES FOR BONDS OR NOTES. The district, to pay any part of bonds or notes issued by the district, may not impose a tax that exceeds 20 cents on each $100 of assessed valuation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

For expiration of this subchapter, see Section 8859.025.
CHAPTER 8859.  RED RIVER GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 8859.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Red River Groundwater Conservation District.

(4) "Water services district" means a district created under the authority of Section 59, Article XVI, or Section 52, Article III, Texas Constitution, with the authority to provide retail water service in the district.

(5) "Water supply corporation" means a water supply corporation operating under Chapter 67, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.

Sec. 8859.002.  NATURE OF DISTRICT; FINDINGS.  (a) The district is a groundwater conservation district in Grayson and Fannin Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is created to serve a public use and benefit.

(c) All of the land and other property included within the boundaries of the district will be benefited by the works and projects that are to be accomplished by the district under powers conferred by this chapter and by Chapter 36, Water Code.

(d) Any fees imposed by the district under this chapter are necessary to pay for the costs of accomplishing the purposes of the district, including the conservation and management of groundwater resources, as provided by this chapter and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.

Sec. 8859.003.  INITIAL DISTRICT TERRITORY.  The initial boundaries of the district are coextensive with the boundaries of Grayson and Fannin Counties.
Sec. 8859.004. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW.  (a) Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.  
(b) Subchapter B, Chapter 36, Water Code, does not apply to the district.

Sec. 8859.005. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve the legislative intent and purposes of Chapter 36, Water Code. A power granted by Chapter 36, Water Code, or this chapter shall be broadly interpreted to achieve that intent and those purposes.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8859.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven directors appointed as provided by this section.  
(b) Directors serve staggered four-year terms, with the terms of three or four directors from each appointing county expiring on August 31 of each odd-numbered year.  
(c) A director serves until the director's successor has qualified to serve.

Sec. 8859.052. DIRECTOR ELIGIBILITY; QUALIFICATION. (a) To be eligible to serve as a director:  
(1) a person appointed under Section 8859.053(a)(1), (2),
or (3) must be a registered voter of Fannin County; and

(2) a person appointed under Section 8859.053(a)(4), (5), or (6) must be a registered voter of Grayson County.

(b) Each director must qualify to serve in the manner provided by Section 36.055, Water Code.

(c) A person who qualifies as a director may participate in all votes relating to the business of the district, regardless of any common law doctrine or statutory prohibition related to conflicts of interest or incompatibility.

(d) Section 36.058, Water Code, does not apply to a director.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.

Sec. 8859.053. APPOINTMENT OF DIRECTORS. (a) The board consists of seven directors as follows:

(1) one director appointed by the commissioners court of Fannin County at the discretion of the commissioners court;

(2) one director appointed by the commissioners court of Fannin County selected from a list of nominees submitted to the commissioners court by the governing bodies of the municipalities in Fannin County;

(3) one director appointed by the commissioners court of Fannin County selected from a list of nominees submitted to the commissioners court by the water services districts and water supply corporations that provide retail water service to customers in Fannin County, subject to the limitation provided by Subsection (f);

(4) two directors appointed by the governing body of the municipality in Grayson County that has the largest annual production of groundwater by volume for the four years preceding the appointment;

(5) one director appointed jointly by the governing bodies of the municipalities in Grayson County other than the municipality described by Subdivision (4); and

(6) one director appointed jointly by the governing boards of all water services districts and water supply corporations that provide retail water service to customers in Grayson County, subject to the limitation provided by Subsection (f).

(b) Directors must be appointed not later than the second
Monday in August of each odd-numbered year.

(c) Not later than the 60th day before the second Monday in August of each odd-numbered year, the district shall mail written notice to each entity authorized to make an appointment under Subsection (a).

(d) The board by rule shall adopt a procedure for the written submission of appointments to the district.

(e) An entity that Subsection (a)(2) or (3) authorizes to nominate persons for director shall submit a list of nominees not later than the 30th day before the date the appointment is to be made under this section. If an entity designated by Subsection (a)(2) or (3) does not submit the list before that date, the commissioners court of Fannin County may appoint a director to the position for which the list was not received at the discretion of the commissioners court.

(f) A water services district or water supply corporation in Grayson and Fannin Counties may not participate in the appointment of a director unless that district or corporation used groundwater produced from wells located within the district to provide retail water service in the district during the calendar year of the appointment or the calendar year preceding the appointment. The board may require evidence of eligibility to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.

Sec. 8859.054. VACANCIES. If a vacancy occurs on the board, the entity that appointed the director who vacated the office shall appoint a person to fill the vacancy for the unexpired term in the manner provided for the vacant position by Section 8859.053.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.

Sec. 8859.055. COMPENSATION; REIMBURSEMENT. (a) Notwithstanding Sections 36.060(a) and (d), Water Code, a director may not receive compensation for performing the duties of director.

(b) A director is entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on
behalf of the district.

(c) A position on the board is not a civil office of emolument for any purpose, including a purpose described in Section 40, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.

Sec. 8859.056. QUORUM; CONCURRENCE FOR TRANSACTING BUSINESS.

(a) A majority of the board membership constitutes a quorum for any meeting and a concurrence of a majority of the board shall be sufficient to transact district business, except as provided by Subsection (b).

(b) A concurrence of not fewer than six directors is required for transacting the following district business:

(1) establishing or amending a groundwater production fee assessed by the district based on the amount of groundwater authorized by permit to be withdrawn from a well or on the amount of water actually withdrawn from a well;

(2) adopting the annual budget of the district; and

(3) except as provided by Subsection (c), granting or denying a permit or permit amendment for a well that is intended to produce water within the district which will be transported in any amount for use outside the boundaries of the district.

(c) A concurrence of a majority of the board is sufficient to grant or deny a permit or permit amendment submitted by a retail public utility that provides retail water service in the district and intends to:

(1) produce water from a well located:

   (A) within the district; and

   (B) inside the boundaries or a certificated service area of a retail public utility; and

(2) transport the water outside the district, so long as the water is used within the same certificated service area or boundary of the retail public utility.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.
Sec. 8859.057.  DECENTENIAL REVIEW OF DISTRICT REPRESENTATION.  
(a)  Not later than January 1, 2019, and every 10 years following 
that date, the board shall complete a review of the adequacy of 
representation of water users on the board based on groundwater 
production and use within the district.  
(b)  Not later than the 20th day following the date the review 
is complete, the board shall submit the review described in 
Subsection (a) and any recommendation the board may have relating to 
the reapportionment of directors or the representational structure of 
the board to each member of the house of representatives and each 
member of the senate whose state legislative district includes 
territory in the district.  

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. 
September 1, 2009.  

SUBCHAPTER C.  POWERS AND DUTIES  

Sec. 8859.101.  GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES.  Except as provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.  

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.  

Sec. 8859.102.  CONTRACTS.  The district may enter into a contract with any person, public or private, for any purpose authorized by law.  

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.  

Sec. 8859.103.  APPLICABILITY OF DISTRICT RULES REGULATING GROUNDWATER.  District rules regulating groundwater adopted under this chapter apply to all persons except as exempted under Section 36.117, Water Code, or this chapter.
Sec. 8859.104. WELL SPACING RULES; EXEMPTIONS. (a) Except as provided by Subsection (b), the district shall exempt from the well spacing requirements adopted by the district any well that is completed on or before the effective date of those requirements.

(b) The district by rule may provide that a well may lose its exemption under this section if the well is modified in a manner that substantially increases the capacity of the well after the effective date of the well spacing requirements adopted by the district.

(c) Except as provided by this section and notwithstanding Section 8859.103, the district may require any well or class of wells exempt from permitting under Chapter 36, Water Code, to comply with the well spacing requirements adopted by the district. The district shall apply well spacing requirements uniformly to any well or class of wells based on the size or capacity of the well and without regard to the type of use of the groundwater produced by the well.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.

Sec. 8859.105. REGISTRATION AND REPORTING REQUIREMENTS FOR CERTAIN EXEMPT WELLS. The district may adopt rules that require the owner or operator of a well or class of wells exempt from permitting under Section 36.117, Water Code, to register the well with the district and, except for a well exempt from permitting under Subsection (b)(1) of that section, to report groundwater withdrawals from the well using reasonable and appropriate reporting methods and frequency.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.

Sec. 8859.106. ENFORCEMENT. (a) The district may enforce this chapter in the manner provided by Chapter 36, Water Code. In lieu of a remedy available to the district under Section 36.102, Water Code, or in addition to those remedies, the district may impose a fee in
addition to a fee assessed under Section 8859.152 on a person producing groundwater in violation of a rule of the district, including the failure or refusal to comply with any order or rule of the district to reduce or cease groundwater usage. The purpose of a fee authorized under this subsection is to serve as a disincentive to producing groundwater except as authorized by the district.

(b) A fee imposed under Subsection (a) may not exceed an amount equal to 10 times the amount of a fee assessed under Section 8859.152.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8859.151. TAXES PROHIBITED. The district may not impose a tax. Sections 36.201-36.204, Water Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.

Sec. 8859.152. DISTRICT REVENUES. (a) The district by rule, resolution, or order may establish, amend, pledge, encumber, expend the proceeds from, and assess to any person production fees based on the amount of groundwater authorized by permit to be withdrawn from a well or on the amount of water actually withdrawn, to enable the district to fulfill its purposes and regulatory functions as provided by this chapter. The district may use revenues generated by fees it assesses for any lawful purpose.

(b) Notwithstanding any provision of general law to the contrary, a fee authorized by Subsection (a) may not exceed:

1. $1 per acre-foot annually for groundwater used for agricultural purposes; or
2. 30 cents per thousand gallons annually for groundwater used for nonagricultural purposes.

(c) Notwithstanding any provision of general law or this chapter to the contrary, the district may assess a production fee under this section for groundwater produced from a well or class of wells exempt from permitting under Section 36.117, Water Code, except
for a well exempt from permitting under Subsection (b)(1) of that section. A production fee assessed by the district under this subsection must be based on the amount of groundwater actually withdrawn from the well and may not exceed the amount established by the district for permitted uses under Subsection (b)(2) of this section.

(d) Notwithstanding Section 36.1071(f), Water Code, the district by rule, resolution, or order before the adoption of its management plan may:

(1) establish, assess, and enforce the collection of production fees under this section; and

(2) establish and enforce metering and reporting requirements, except for a well exempt from permitting under Section 36.117(b)(1), Water Code.

(e) The district by rule may establish a temporary or permanent discounted fee rate for persons who prepay production fees to the district under this section on or before the dates established by district rule.

(f) The district may not assess a fee for transporting water that is produced from a well located inside the district and inside a certificated service area of a retail public utility and transported outside of the district, if the water is used in the same certificated service area of the retail public utility.

Added by Acts 2009, 81st Leg., R.S., Ch. 884 (S.B. 2529), Sec. 1, eff. September 1, 2009.

For contingent expiration of this chapter, see Section 8860.003.

CHAPTER 8860. CALHOUN COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8860.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a board member.
(3) "District" means the Calhoun County Groundwater Conservation District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1091 (S.B. 1290), Sec. 1, eff. September 1, 2011.
Sec. 8860.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Calhoun County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1091 (S.B. 1290), Sec. 1, eff. September 1, 2011.

Sec. 8860.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8860.022 before December 31, 2016:

(1) the district is dissolved on December 31, 2016, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Calhoun County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2018.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1091 (S.B. 1290), Sec. 1, eff. September 1, 2011.

Sec. 8860.004. LEGISLATIVE FINDINGS. (a) The organization of the district is feasible and practicable.

(b) All land in and residents of the district will benefit from the creation of the district.

(c) The creation of the district is a public necessity and will provide a public benefit.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1091 (S.B. 1290), Sec. 1, eff. September 1, 2011.

Sec. 8860.005. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Calhoun County.
Sec. 8860.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Directors serve staggered four-year terms, with two or three directors' terms expiring December 31 of each even-numbered year.

Sec. 8860.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) The directors of the district are elected according to the commissioners precinct method as provided by this section.

(b) One director is elected by the voters of the entire district, and one director is elected from each county commissioners precinct by the voters of that precinct.

(c) Except as provided by Subsection (e), to be eligible to be a candidate for or to serve as director at large, a person must be a registered voter in the district. To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

(d) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or

(2) that the person seeks to represent the district at large.

(e) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which elected or appointed even though the change in boundaries places the director's residence outside the precinct for which the director was elected or appointed.
Sec. 8860.053.  ELECTION DATE.  The district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in November of each even-numbered year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1091 (S.B. 1290), Sec. 1, eff. September 1, 2011.

Sec. 8860.054.  VACANCIES.  If a vacancy occurs on the board, the remaining directors shall appoint a person to fill the vacancy until the next regularly scheduled election of directors.  If the position is not scheduled to be filled at the election, the person elected serves only for the remainder of the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1091 (S.B. 1290), Sec. 1, eff. September 1, 2011.

Sec. 8860.055.  COMPENSATION; EXPENSES.  (a)  A director is not entitled to receive compensation for performing the duties of a director.

(b)  The board may authorize a director to receive reimbursement for the director's reasonable expenses incurred while engaging in activities on behalf of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1091 (S.B. 1290), Sec. 1, eff. September 1, 2011.

SUBCHAPTER C.  POWERS AND DUTIES

Sec. 8860.101.  GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES.  Except as otherwise provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8860.102. CERTAIN PERMIT DENIALS PROHIBITED. The district may not deny the owner of a tract of land, or the owner's lessee, who does not have a well equipped to produce more than 25,000 gallons each day on the tract, either a permit to drill a well on the tract or the privilege to produce groundwater from the tract, subject to district rules.

Sec. 8860.103. MITIGATION ASSISTANCE. In addition to the authority granted by Chapter 36, Water Code, the district may assist in the mediation between landowners regarding the loss of existing groundwater supply of exempt domestic and livestock users due to the groundwater pumping of others.

Sec. 8860.104. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8860.151. FEES. (a) The board by rule may impose a reasonable fee on each well for which a permit is issued by the district and that is not exempt from regulation by the district. The fee may be based on:

(1) the size of column pipe used by the well; or
(2) the actual, authorized, or anticipated amount of water to be withdrawn from the well.

(b) In addition to a fee imposed under Subsection (a), the
district may impose a reasonable fee or surcharge for an export fee using one of the following methods:

(1) a fee negotiated between the district and the transporter; or

(2) a combined production and export fee.

(c) Fees authorized by this section may be assessed annually and may be used to fund the cost of district operations.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1091 (S.B. 1290), Sec. 1, eff. September 1, 2011.

Sec. 8860.152. LIMITATION ON TAXES. The district may not impose an ad valorem tax at a rate that exceeds two cents on each $100 valuation of taxable property in the district, and any tax imposed under this section must first be approved by the voters of the district at the election held to confirm the creation of the district or at a separate election held in accordance with Section 36.201, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1091 (S.B. 1290), Sec. 1, eff. September 1, 2011.
Amended by:
Acts 2013, 83rd Leg., R.S., Ch. 819 (S.B. 1835), Sec. 2, eff. June 14, 2013.

CHAPTER 8861. MENARD COUNTY UNDERGROUND WATER DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8861.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Menard County Underground Water District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8861.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Menard County created under and
essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8861.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8861.004. DISTRICT TERRITORY. (a) Except as provided by Subsection (b), the district includes the territory in Menard County unless the district's territory has been modified under:

(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

(b) The district does not include the territory in the Hickory Underground Water Conservation District No. 1 as that territory existed on May 24, 1991.

(c) The boundaries of the district form a closure.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8861.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
Sec. 8861.052. ELECTION DATE. Every two years, on the uniform election date in May or another date authorized by law, the appropriate number of directors shall be elected.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8861.053. COMPENSATION; EXPENSES. A director is not entitled to compensation for service on the board but may be reimbursed as provided by board rules for expenses incurred in carrying out the business of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8861.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapters 36 and 49, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8861.102. AUTHORITY OF DISTRICT TO REQUIRE PERMITS FOR CERTAIN WELLS. The district may require a permit for a well used for domestic purposes or to provide water for livestock, poultry, or wildlife if the well is:

1. on a tract of land smaller than 100 acres;
2. less than 500 feet deep; and
3. drilled, completed, or equipped so that the well is capable of producing more than 9,000 gallons of groundwater per day.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
CHAPTER 8862. MIDDLE TRINITY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8862.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Middle Trinity Groundwater Conservation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8862.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8862.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8862.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Erath, Comanche, Bosque, and Coryell Counties, unless the district's territory has been modified under:
(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8862.051. COMPOSITION OF BOARD; TERMS. (a) Except as provided by Subsection (c) and Sections 8862.055 and 8862.056, the district is governed by a board of six directors.
(b) Directors serve staggered four-year terms.
(c) The board by resolution may change the number of directors elected from a county in the district for the purpose of equalizing representation of the residents of the district.
(d) Section 36.051(a), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8862.052. ELECTION OF DIRECTORS. Except as provided by Sections 8862.051(c) and 8862.056, three directors shall be elected from each county in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8862.053. ELECTION DATE. Except as provided by Sections 8862.055 and 8862.056, each even-numbered year, on the uniform election date in May or another date authorized by law, the appropriate number of directors shall be elected.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8862.054. QUALIFICATION FOR OFFICE. To be qualified to be a candidate for or serve as director, a person must be a registered voter in the county the person seeks to represent.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
Sec. 8862.055. COMPOSITION OF BOARD AND ELECTION OF DIRECTORS FOLLOWING ANNEXATION OF ONE OR TWO COUNTIES. (a) This section applies only following the annexation by the district under Subchapter J, Chapter 36, Water Code, of the territory of one or two additional counties.

(b) Not later than the 90th day after the date of an election in which the annexation of a county to the district is ratified by a majority vote of the voters of that county, the commissioners court of the annexed county shall appoint three temporary directors to the board. Temporary directors serve until initial permanent directors are elected under Subsection (c).

(c) In the first odd-numbered year following the election in which annexation of a county is ratified, on the uniform election date in May or another date authorized by law, initial permanent directors shall be elected from that county. The initial permanent directors from the county shall draw lots to determine who will serve a four-year term and who will serve a two-year term.

(d) In each odd-numbered year following the election of initial permanent directors under Subsection (c), on the uniform election date in May or another date authorized by law, the appropriate number of directors from the annexed county shall be elected.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8862.056. COMPOSITION OF BOARD AND ELECTION OF DIRECTORS FOLLOWING ANNEXATION OF MORE THAN TWO COUNTIES. (a) This section applies only following the annexation by the district under Subchapter J, Chapter 36, Water Code, of the territory of a third additional county or the simultaneous or subsequent annexation of the territory of other additional counties.

(b) After annexation, two directors shall be elected from each county in the district as provided by this section.

(c) Not later than the 90th day after the date of an election in which the annexation of a county is ratified by a majority vote of the voters of that county, the commissioners court of each annexed county shall appoint two temporary directors to the board. Temporary directors serve until initial permanent directors are elected under Subsection (d).
(d) In the first odd-numbered year following the election in which annexation of a county is ratified, on the uniform election date in May or another date authorized by law, initial permanent directors shall be elected from that county. The initial permanent directors from the county shall draw lots to determine who will serve a four-year term and who will serve a two-year term.

(e) On the date of the next regularly scheduled directors' election in an even-numbered year following the election in which annexation of a county is ratified:
   (1) one director position from Comanche County and one director position from Erath County are abolished; and
   (2) the terms of the directors serving in those positions expire on the date of the election.

(f) On the date of the next regularly scheduled directors' election in an odd-numbered year following the election in which annexation of the county is ratified:
   (1) one director position from each of the first two counties annexed by the district is abolished; and
   (2) the terms of the directors serving in those positions expire on the date of the election.

(g) If more than one position described by Subsection (e)(1) or (f)(1) is scheduled for election in Comanche County, Erath County, or one of the first two counties annexed by the district, the directors of the county shall draw lots to determine which position shall be abolished in accordance with Subsections (e) and (f).

(h) Each odd-numbered year following the election of initial permanent directors under Subsection (d), on the uniform election date in May or another date authorized by law, the appropriate number of directors from the annexed county shall be elected.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8862.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8862.102. DISTRICT RULES; ENFORCEMENT. (a) Any rules adopted by the district as authorized by this chapter and Chapter 36, Water Code, apply to all persons and entities except as exempted under Section 36.117, Water Code.

(b) The district may enforce its rules and the provisions of Chapter 36, Water Code, in the manner authorized by that chapter. In addition to the remedies provided under Section 36.102, Water Code, the district may impose a fee on a person or entity for violation of a rule of the district or failure to comply with an order issued by the district.

Sec. 8862.151. MAINTENANCE AND OPERATION TAX. To pay the maintenance and operating expenses of the district, the board of directors may impose taxes annually at a rate not to exceed five cents on each $100 of assessed valuation.

Sec. 8863.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Neches and Trinity Valleys Groundwater Conservation District.
Sec. 8863.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Anderson, Cherokee, and Henderson Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 3, Chapter 1387, Acts of the 77th Legislature, Regular Session, 2001, as that territory may have been modified under:

(1) Section 8863.005 or its predecessor statute, former Section 10, Chapter 1387, Acts of the 77th Legislature, Regular Session, 2001;

(2) Subchapter J or K, Chapter 36, Water Code; or

(3) other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.005. ADDITION OF UNDERGROUND WATER CONSERVATION DISTRICT OR ADJACENT COUNTY TO DISTRICT. (a) An adjacent county or an underground water conservation district the boundaries of which lie wholly within the boundaries of the district may petition to join the district by resolution of the commissioners court of the county or the board of directors of the underground water conservation district.
(b) If, after a hearing on the resolution, the board finds that the addition of the county or underground water conservation district would benefit the district and the county or underground water conservation district to be added, the board by resolution may approve the addition of the county or underground water conservation district to the district.

(c) The addition of a county or underground water conservation district to the district under this section is not final until ratified by a majority vote of the voters in the county or within the boundaries of the underground water conservation district to be added voting in an election held for that purpose.

(d) The ballot for the election shall be printed to provide for voting for or against the proposition: "The inclusion of ______ County in the Neches and Trinity Valleys Groundwater Conservation District" or "The inclusion of ______ Underground Water Conservation District in the Neches and Trinity Valleys Groundwater Conservation District."

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUB CHAPTER B. BOARD OF DIRECTORS

Sec. 8863.051. COMPOSITION OF BOARD. The district is governed by a board of directors appointed as provided by Section 8863.052.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.052. APPOINTMENT OF DIRECTORS. (a) The commissioners court of each county in the district shall appoint:

(1) one director to represent the rural water and utilities and small municipal water supply interests of the county; and

(2) one director to represent the agriculture, industry, or landowner groundwater supply interests of the county.

(b) The governing body of the most populous municipality in each county in the district, acting jointly with the governing body of the most populous municipality in each other county in the district, shall appoint one director to represent those municipalities. The governing bodies shall appoint residents of the
district on a rotating basis so that a resident of each county is appointed every sixth year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.053. TERMS. (a) Directors appointed under Section 8863.052(a) serve staggered four-year terms, with the term of one director appointed by the commissioners court of each county expiring every two years. The director appointed jointly under Section 8863.052(b) serves a two-year term.

(b) A director may serve consecutive terms.

(c) A director serves at the pleasure of the political subdivision that appointed the director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.054. BOARD VACANCY. If there is a vacancy on the board, the governing body of the entity that appointed the director who vacated the office shall appoint a director to serve the remainder of the term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.055. COMPENSATION; EXPENSES. (a) A director is not entitled to receive compensation for serving as a director.

(b) A director may be reimbursed for actual, reasonable expenses incurred in discharging official duties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.056. VOTE REQUIRED FOR BOARD ACTION. A majority vote of a quorum of the board is required for board action. If there is a tie vote, the proposed action fails.
Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8863.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this subchapter and Subchapter D, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.102. WELLS EXEMPT FROM REGULATION. A well meeting the criteria established under Section 36.117, Water Code, including a well used for dewatering and monitoring in the production of coal and lignite, is exempt from permit requirements, regulations, and fees imposed by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.103. TRANSFER OF GROUNDWATER OUT OF DISTRICT. (a) In this section, "retail public utility" has the meaning assigned by Section 13.002, Water Code.

(b) The district by rule may require a person to obtain a permit from the district for the transfer of groundwater out of the district consistent with Section 36.122, Water Code.

(c) The district may determine that a transfer of groundwater produced within the district's boundaries for use outside the district's boundaries will not be considered a transfer outside the district if the transfer:

(1) is for use as a potable water supply by a retail public utility and is within an authorized service area of which an appropriate portion, as determined by the district, is located inside the district's boundaries; or

(2) involves an emergency potable water interconnect.
between retail public utilities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.104. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.105. LIMIT ON PURCHASE OF GROUNDWATER RIGHTS. The district may not purchase groundwater rights unless the purchased rights are acquired for conservation purposes and are permanently held in trust not to be produced.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8863.151. AUTHORITY TO SET FEES; LIMITS. (a) The board may set fees for administrative acts of the district, such as filing applications. A fee may not unreasonably exceed the cost to the district of performing the administrative function for which the fee is charged.

(b) The board shall set and collect fees for all services provided outside the boundaries of the district. The fees may not unreasonably exceed the cost to the district of providing the services outside the district.

(c) The board may assess production fees based on the amount of water authorized by permit to be withdrawn from a well or the amount actually withdrawn. The district may assess the fees in lieu of, or in conjunction with, any taxes otherwise imposed by the district. The district may use revenue generated by the fees for any lawful purpose. Production fees may not exceed:

1. $1 per acre-foot payable annually for water used for agricultural use; or
2. $10 per acre-foot payable annually for water used for
any other purpose.

(d) The board may assess a production fee under Subsection (c) for any water that is:
   (1) produced under an exemption under Section 36.117, Water Code; and
   (2) subsequently sold to another person.

(e) The district may not assess a fee of any type on a well if the well's production is used only for domestic, agricultural, or wildlife purposes within the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.152. TAXES PROHIBITED. The district may not impose taxes in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8863.153. LIMIT ON ISSUANCE OF BONDS AND NOTES. The district may not issue and sell bonds or notes in the name of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

CHAPTER 8864. PECAN VALLEY GROUNDWATER CONSERVATION DISTRICT
   SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8864.001. DEFINITIONS. In this chapter:
   (1) "Board" means the district's board of directors.
   (2) "Director" means a board member.
   (3) "District" means the Pecan Valley Groundwater Conservation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
Sec. 8864.002.  NATURE OF DISTRICT.  The district is a groundwater conservation district in DeWitt County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8864.003.  FINDINGS OF PUBLIC USE AND BENEFIT.  (a)  The district is created to serve a public use and benefit.

(b)  All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8864.004.  DISTRICT TERRITORY.  The district's boundaries are coextensive with the boundaries of DeWitt County unless the district's territory has been modified under:

(1)  Subchapter J or K, Chapter 36, Water Code; or
(2)  other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8864.051.  COMPOSITION OF BOARD; TERMS.  (a)  The district is governed by a board of five directors.

(b)  Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8864.052.  ELECTION OF DIRECTORS.  (a)  Directors are elected according to the commissioners precinct method as provided by
this section.

(b) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.

(c) A person shall indicate on the application for a place on the ballot:
   (1) the precinct that the person seeks to represent; or
   (2) that the person seeks to represent the district at large.

(d) At the first election of the district after the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, four new directors shall be elected to represent the precincts. The directors shall draw lots to determine which two directors serve four-year terms and which two directors serve two-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8864.053. ELECTION DATE. Each odd-numbered year, on the uniform election date in May or another date authorized by law, the appropriate number of directors shall be elected.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8864.054. QUALIFICATIONS FOR OFFICE. (a) To qualify as a candidate for or serve as director at large, a person must be:
   (1) at least 18 years of age;
   (2) a resident of the district; and
   (3) a registered voter in the district.

(b) To be a candidate for or serve as director from a county commissioners precinct, a person must be:
   (1) at least 18 years of age;
   (2) a resident of that precinct; and
   (3) a registered voter of that precinct.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
Sec. 8864.055. BOARD VACANCY. (a) The board shall appoint a replacement to fill a vacancy in the office of any director.

(b) The appointed replacement serves until the next directors' election.

(c) If the position is not scheduled to be filled at the election, the person elected to fill the position serves only for the remainder of the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8864.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8864.151. LIMITATION ON TAXES. The board may not impose an ad valorem tax at a rate that exceeds five cents on each $100 valuation of taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

CHAPTER 8865. POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8865.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Post Oak Savannah Groundwater Conservation District.

Statute text rendered on: 6/18/2019
Sec. 8865.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Milam and Burleson Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8865.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8865.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Milam and Burleson Counties unless the district's territory has been modified under:

(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8865.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of 10 directors.

(b) Directors serve staggered four-year terms.

(c) A director may serve consecutive terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05,
Sec. 8865.052. APPOINTMENT OF DIRECTORS. (a) The Milam County Commissioners Court shall appoint five directors, of whom:

(1) one must represent municipal interests in the county;
(2) one must be a bona fide agricultural producer who derives a substantial portion of the producer's income from agriculture in the county;
(3) one must be a director or employee of a rural water supply corporation in the county;
(4) one must represent active industrial interests in the county; and
(5) one must represent the interests of the county at large.

(b) The Burleson County Commissioners Court shall appoint five directors, of whom:

(1) one must represent municipal interests in the county;
(2) one must be a bona fide agricultural producer who derives a substantial portion of the producer's income from agriculture in the county;
(3) one must be a director or employee of a rural water supply corporation in the county;
(4) one must represent active industrial interests in the county; and
(5) one must represent the interests of the county at large.

(c) On January 1 of each even-numbered year, the appropriate commissioners court shall appoint the appropriate number of directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8865.053. BOARD VACANCY. If there is a vacancy on the board, the commissioners court that appointed the director who vacated the office shall appoint a director to serve the remainder of the term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05,
Sec. 8865.054. COMPENSATION; EXPENSES. (a) A director is not entitled to receive compensation for serving as a director.
   (b) A director may be reimbursed for actual, reasonable expenses incurred in discharging official duties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8865.055. QUORUM; VOTE REQUIRED FOR BOARD ACTION. (a) A quorum exists when at least two-thirds of the directors are present.
   (b) A majority vote of a quorum of the board is required for board action. If there is a tie vote, the proposed action fails.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8865.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8865.102. GROUNDWATER WELLS UNDER JURISDICTION OF RAILROAD COMMISSION. (a) In this section, "railroad commission" means the Railroad Commission of Texas.
   (b) A groundwater well drilled or operated in the district under a permit issued by the railroad commission is under the exclusive jurisdiction of the railroad commission and is exempt from regulation by the district.
   (c) Groundwater produced in an amount authorized by a railroad...
commission permit may be used in or exported from the district without a permit from the district.

(d) To the extent groundwater production exceeds railroad commission authorization, the holder of the railroad commission permit:

(1) must apply to the district for the appropriate permit for the excess production; and

(2) is subject to the applicable regulatory fees.

(e) Groundwater produced from a well under the jurisdiction of the railroad commission is generally exempt from water district fees. However, the district may impose either a pumping fee or an export fee on groundwater produced from an otherwise exempt mine well that is used for municipal purposes or by a public utility. A fee imposed by the district under this subsection may not exceed the fee imposed on other groundwater producers in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8865.103. LIMITATION ON POWER OF EMINENT DOMAIN. The district does not have the authority granted by Section 36.105, Water Code, relating to eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8865.151. FEES. (a) The board by rule may impose a reasonable fee on each well that is not exempt from regulation by the district and for which a permit is issued by the district. The fee may be based on:

(1) the size of column pipe used by the well; or

(2) the actual, authorized, or anticipated amount of water to be withdrawn from the well.

(b) Fees may not exceed:

(1) 25 cents per acre-foot for water used for irrigating agricultural crops; or

(2) 17 cents per thousand gallons for water used for any other purpose.
(c) In addition to the fee authorized under Subsection (a), the district may impose a reasonable fee or surcharge for an export fee using one of the following methods:
   (1) a fee negotiated between the district and the transporter; or
   (2) a combined production and export fee not to exceed 17 cents per thousand gallons of water used.
(d) Fees authorized by this section may be:
   (1) assessed annually; and
   (2) used to pay the cost of operating the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8865.152. LIMITATION ON AUTHORITY TO IMPOSE TAXES. The district does not have the authority granted by Sections 36.020 and 36.201-36.204, Water Code, relating to taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

CHAPTER 8866. MID-EAST TEXAS GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8866.001. DEFINITIONS. In this chapter:
   (1) "Board" means the district's board of directors.
   (2) "Director" means a board member.
   (3) "District" means the Mid-East Texas Groundwater Conservation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8866.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Leon, Madison, and Freestone Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05,
Sec. 8866.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8866.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Leon, Madison, and Freestone Counties unless the district's territory has been modified under:
(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8866.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of nine directors.
(b) Directors serve staggered four-year terms.
(c) A director may serve consecutive terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8866.052. APPOINTMENT OF DIRECTORS. (a) The Leon County Commissioners Court shall appoint three directors, of whom:
(1) one must represent the interests of municipalities in the county, or must be a director or employee of a rural water supply corporation in the county, or both;
(2) one must be a bona fide agricultural producer who derives a substantial portion of the producer's income from
agriculture in the county; and
   (3) one must represent active industrial interests in the county.

(b) The Madison County Commissioners Court shall appoint three directors, of whom:
   (1) one must represent the interests of municipalities in the county, or must be a director or employee of a rural water supply corporation in the county, or both;
   (2) one must be a bona fide agricultural producer who derives a substantial portion of the producer's income from agriculture in the county; and
   (3) one must represent active industrial interests in the county.

(c) The Freestone County Commissioners Court shall appoint three directors, of whom:
   (1) one must represent the interests of municipalities in the county, or must be a director or employee of a rural water supply corporation in the county, or both;
   (2) one must be a bona fide agricultural producer who derives a substantial portion of the producer's income from agriculture in the county; and
   (3) one must represent active industrial interests in the county.

(d) On January 1 of each even-numbered year, the appropriate commissioners courts shall appoint the appropriate number of directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8866.053. BOARD VACANCY. If there is a vacancy on the board, the commissioners court that appointed the director who vacated the office shall appoint a director to serve the remainder of the term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8866.054. COMPENSATION; EXPENSES. (a) A director is not
entitled to receive compensation for serving as a director.

(b) A director may be reimbursed for actual, reasonable expenses incurred in discharging official duties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8866.055. VOTE REQUIRED FOR BOARD ACTION. A majority vote of a quorum of the board is required for board action. If there is a tie vote, the proposed action fails.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8866.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8866.102. GROUNDWATER WELLS UNDER JURISDICTION OF RAILROAD COMMISSION. (a) In this section, "railroad commission" means the Railroad Commission of Texas.

(b) A groundwater well drilled or operated in the district under a permit issued by the railroad commission is under the exclusive jurisdiction of the railroad commission and is exempt from regulation by the district.

(c) Groundwater produced in an amount authorized by a railroad commission permit may be used in or exported from the district without a permit from the district.

(d) To the extent groundwater production exceeds railroad commission authorization, the holder of the railroad commission permit:
(1) must apply to the district for the appropriate permit for the excess production; and
(2) is subject to the applicable regulatory fees.
(e) Groundwater produced from a well under the jurisdiction of the railroad commission is generally exempt from water district fees. However, the district may impose either a pumping fee or an export fee on groundwater produced from an otherwise exempt mine well that is used for municipal purposes or by a public utility. A fee imposed by the district under this subsection may not exceed the fee imposed on other groundwater producers in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8866.103. LIMITATION ON POWER OF EMINENT DOMAIN. The district does not have the authority granted by Section 36.105, Water Code, relating to eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8866.151. FEES. (a) The board by rule may impose a reasonable fee on each well that is not exempt from regulation by the district and for which a permit is issued by the district. The fee may be based on:
(1) the size of column pipe used by the well; or
(2) the actual, authorized, or anticipated amount of water to be withdrawn from the well.
(b) Fees may not exceed:
(1) 25 cents per acre-foot for water used for irrigating agricultural crops; or
(2) 17 cents per thousand gallons for water used for any other purpose.
(c) In addition to the fee authorized under Subsection (a), the district may impose a reasonable fee or surcharge for an export fee using one of the following methods:
(1) a fee negotiated between the district and the transporter; or
(2) a combined production and export fee not to exceed 17 cents per thousand gallons of water used.

(d) Fees authorized by this section may be:
(1) assessed annually; and
(2) used to pay the cost of operating the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8866.152. LIMITATION ON AUTHORITY TO IMPOSE TAXES. The district does not have the authority granted by Sections 36.020 and 36.201-36.204, Water Code, relating to taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

CHAPTER 8867. ROLLING PLAINS GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8867.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Rolling Plains Groundwater Conservation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8867.002. NATURE OF DISTRICT. The district is created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8867.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will
benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8867.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Haskell County, Knox County, and Baylor County, unless the district's territory has been modified under:

(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8867.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of not fewer than 5 or more than 16 directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8867.052. APPOINTMENT OF DIRECTORS IN GENERAL. The commissioners court of each county in the district shall appoint an equal number of directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8867.053. APPOINTMENT OF DIRECTORS BY ADDITIONAL COUNTIES. (a) When a county is added to the district, the board shall change the number of directors so that an equal number of directors are appointed by the commissioners court of each county in the district. The terms of the directors then serving expire on a date set by the
board, not later than the 90th day after the date the county is added to the district, and the directors continue to serve only until the new directors have been appointed.

(b) The board shall send to the commissioners court of each county in the district notice of the number of directors the county may appoint.

(c) After receiving the notice from the board, the commissioners courts of all the counties in the district shall confer to determine the number of new directors from each county who will serve four-year terms and the number of new directors from each county who will serve two-year terms. The commissioners courts shall provide that, as nearly as possible, half of the new directors, in total and from each county, serve four-year terms and the remaining new directors serve two-year terms.

(d) The commissioners court of each county shall appoint new directors before the date set by the board in Subsection (a). A commissioners court may reappoint a current director.

(e) The new directors from each county shall draw lots to determine which directors serve four-year terms and which directors serve two-year terms in accordance with Subsection (c).

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8867.054. ELIGIBILITY. To be eligible to serve as director, a person must be:

(1) at least 21 years of age; and

(2) a registered voter in the county from which the person is appointed.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8867.055. BOARD VACANCY. If a vacancy occurs in the office of director, the commissioners court of the county from which the person vacating the position was appointed shall appoint a director for the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05,
Sec. 8867.056. COMPENSATION. (a) A director is not entitled to receive fees of office under Section 36.060, Water Code, if the director holds another office that is a civil office of emolument for purposes of Section 40, Article XVI, Texas Constitution. 

(b) Except as provided by this section, a director may receive reimbursement of actual expenses as provided by Section 36.060(b), Water Code.

(c) The board by rule, bylaw, or resolution may limit the amount of fees of office or the amount of reimbursement for actual expenses a director is entitled to receive.

(d) This section prevails over any provision of general or special law that is in conflict or inconsistent with this section, including Section 36.060(d), Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8867.057. PRESIDENT. (a) The board shall elect a president from among the directors every other year following the appointment of directors under Section 8867.052.

(b) The president may vote and may cast an additional vote to break a tie.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8867.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by Sections 8867.102 and 8867.103(b), the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
Sec. 8867.102. LIMITATION ON RULEMAKING POWER NOT APPLICABLE. Section 36.121, Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8867.103. FEES. (a) The district may assess fees under Section 36.122(e) or 36.205(c), Water Code, in an annual amount not to exceed:

(1) $1 per acre-foot of water used for agricultural use;
(2) 17 cents per thousand gallons of water used for any other purpose; or
(3) notwithstanding any limitations on the amount of an export fee or surcharge authorized under Section 36.122(e), Water Code, 150 percent of the maximum commercial water rate charged by the City of Wichita Falls for groundwater exported from the district.

(b) Section 36.205(e), Water Code, does not apply to the district.

(c) The district may use funds obtained from an export fee imposed under Subsection (a)(3) only to enhance:

(1) aquifer monitoring, modeling, and data collection; and
(2) research to advance the scientific understanding of the district's groundwater resources.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
Amended by:
Acts 2017, 85th Leg., R.S., Ch. 609 (H.B. 3185), Sec. 1, eff. September 1, 2017.

CHAPTER 8868. SOUTHEAST TEXAS GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8868.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Southeast Texas Groundwater Conservation District.
Sec. 8868.002. NATURE OF DISTRICT. (a) The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is a political subdivision of this state.

Sec. 8868.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Sec. 8868.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Jasper, Newton, Hardin, and Tyler Counties, Texas, unless the district's territory has been modified under:

(1) Section 8868.005;

(2) Subchapter J or K, Chapter 36, Water Code; or

(3) other law.

Sec. 8868.005. ADDITION OF ADJACENT COUNTY TO DISTRICT. (a) An adjacent county may petition to join the district by resolution of the commissioners court of the county.

(b) If, after a hearing on the resolution, the board finds that
the addition of the county would benefit the district and the county to be added, the board by resolution may approve the addition of the county to the district.

(c) The addition of a county to the district under this section is not final until ratified by a majority vote of the voters in the county to be added voting in an election held for that purpose.

(d) The ballot for the election shall be printed to provide for voting for or against the proposition: "The inclusion of ____________ (name of county) County in the Southeast Texas Groundwater Conservation District."

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.006. LANDOWNERS' RIGHTS. The rights of landowners and their lessees and assigns in groundwater in the district are recognized. Nothing in this chapter may be construed to deprive or divest the landowners or their lessees and assigns of their rights, subject to district rules.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8868.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of directors appointed under Sections 8868.052 and 8868.053.

(b) Directors serve three-year terms.

(c) A director may serve consecutive terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.052. APPOINTMENT OF DIRECTORS BY INITIAL COUNTIES. (a) The Jasper County Commissioners Court shall appoint two directors. One director shall represent rural water utilities and small municipal water supply interests. The other director shall represent the large industrial groundwater supply interests of the
(b) The Newton County Commissioners Court shall appoint two directors. One director shall represent rural water utilities and small municipal water supply interests. The other director shall represent the forestry or agricultural groundwater supply interests of the county.

(c) The Jasper County Commissioners Court and the Newton County Commissioners Court shall jointly appoint one director to represent the forestry, agricultural, or landowner groundwater supply interests of both counties. The jointly appointed director shall serve as the board's presiding officer.

(d) The Newton City Council shall appoint one director.

(e) The Jasper City Council shall appoint one director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.053. APPOINTMENT OF DIRECTORS BY ADDITIONAL COUNTIES. When a county is added to the district, the board may change the number of directors so that an equal number of directors are appointed from each county and one director is appointed jointly by the counties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.054. QUALIFICATIONS; GROUNDWATER PRODUCERS. A director is not disqualified from serving because the director is an employee, manager, director, or officer of a groundwater producer that is or may be regulated by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.055. BOARD VACANCY. (a) If there is a vacancy on the board, the governing body of the entity that appointed the director who vacated the office shall appoint a director to serve the remainder of the term.
(b) The board shall adopt rules or bylaws to establish when a vacancy has occurred.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.056. COMPENSATION; EXPENSES. (a) A director is not entitled to receive compensation for serving as a director.
(b) A director may be reimbursed for actual, reasonable expenses incurred in discharging official duties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.057. VOTE REQUIRED FOR BOARD ACTION. A majority vote of a quorum of the board is required for board action. If there is a tie vote, the proposed action fails.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8868.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.102. TRANSFER OF GROUNDWATER OUT OF DISTRICT. The district by rule may require a person to obtain a permit from the district for the transfer of groundwater out of the district consistent with Section 36.122, Water Code, and may regulate the terms on which a permit holder under those rules may conduct the
transfer.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.103. LIMIT ON PURCHASE OF GROUNDWATER RIGHTS FOR CONSERVATION PURPOSES. The district may not purchase groundwater rights unless the purchased rights are acquired for conservation purposes and are permanently held in trust not to be produced.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.104. WELLS EXEMPT FROM REGULATION. (a) The district may not require a permit for a well incapable of producing more than 25,000 gallons of groundwater a day.

(b) A well meeting the criteria established under Section 36.117, Water Code, including a well used for dewatering and monitoring in the production of coal or lignite, is exempt from permit requirements, regulations, and fees imposed by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.105. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8868.151. TAXES PROHIBITED. The district may not impose a tax.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
Sec. 8868.152. TAX BONDS PROHIBITED. The district may not issue any bonds or other obligations that pledge revenue derived from district taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8868.153. PERMIT FEES. (a) The district by rule may impose a reasonable fee on each well that is not exempt from regulation by the district and for which a permit is issued by the district.

(b) The fee must be based on the amount of water to be withdrawn from the well.

(c) The fee may not exceed one cent per thousand gallons of groundwater withdrawn for any purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

CHAPTER 8869. WES-TEX GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8869.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Wes-Tex Groundwater Conservation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8869.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Nolan County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
Sec. 8869.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8869.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Nolan County, unless the district's territory has been modified under:

(1) Subchapter J or K, Chapter 36, Water Code; or

(2) other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8869.051. COMPOSITION OF BOARD. The district is governed by a board of nine directors that consists of one at-large director and two directors from each county commissioners precinct.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8869.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method as provided by this section.

(b) One director is elected by the voters of the entire district. Two directors are elected from each county commissioners precinct by the voters of that precinct. Of the two directors elected from each precinct, one must reside in an incorporated area and one must reside in an unincorporated area.

(c) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent and
whether that person resides in an incorporated or in an unincorporated area; or

(2) that the person seeks to represent the district at large.

(d) When the boundaries of the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, a director in office on the effective date of the change, or elected or appointed before the effective date of the change to a term of office beginning on or after the effective date of the change, shall serve the term or the remainder of the term in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8869.053. TERMS. Directors serve staggered four-year terms with four or five members' terms expiring December 1 of each even-numbered year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8869.054. ELECTION DATE. On the uniform election date prescribed by Section 41.001, Election Code, in November of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8869.055. QUALIFICATIONS FOR OFFICE. (a) To be a candidate for or to serve as director at large, a person must reside in and be a registered voter in the district.

(b) To be a candidate for or to serve as director from an incorporated area of a county commissioners precinct, a person must reside in an incorporated area of and be a registered voter of that
precinct.

(c) To be a candidate for or to serve as director from an unincorporated area of a county commissioners precinct, a person must reside in an unincorporated area of and be a registered voter of that precinct.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8869.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8869.102. LIMITATIONS ON DISTRICT POWERS. Notwithstanding Section 8869.101, the district may not:

(1) acquire land;
(2) purchase, sell, transport, or distribute surface water or groundwater;
(3) issue bonds; or
(4) exercise eminent domain authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8869.151. MAINTENANCE AND OPERATION TAX. To pay the maintenance and operating expenses of the district, the board may impose taxes annually at a rate not to exceed three cents on each $100 of assessed valuation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
CHAPTER 8870. TRINITY GLEN ROSE GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8870.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Trinity Glen Rose Groundwater Conservation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8870.002. NATURE OF DISTRICT. The district is a groundwater conservation district in the part of Bexar County overlying the Trinity Aquifer and is created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8870.003. PURPOSE. The purpose of the district is to develop and implement regulatory, conservation, and recharge programs that preserve and protect the underground water resources located within the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8870.004. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
Sec. 8870.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1312, Acts of the 77th Legislature, Regular Session, 2001, as that territory may have been modified under:

(1) Subsection (b) or its predecessor statute, former Section 3(b), Chapter 1312, Acts of the 77th Legislature, Regular Session, 2001;

(2) Section 8870.006 or 8870.007 or their predecessor statutes, former Sections 19 and 19A, Chapter 1312, Acts of the 77th Legislature, Regular Session, 2001;

(3) Subchapter J or K, Chapter 36, Water Code; or

(4) other law.

(b) The district may add territory inside the boundaries of the Edwards Aquifer Authority with the consent of the board of directors of the authority in the manner provided by Subchapter J, Chapter 36, Water Code.

Sec. 8870.006. MUNICIPALITY'S CHOICE OF DISTRICT. (a) If any part of a municipality, a part of which is included within the boundaries of the district, is included within the boundaries of one or more other groundwater conservation districts created by special Act of the 77th Legislature, Regular Session, 2001, and confirmed at a subsequent election called for the purpose, the municipality, not later than August 31, 2004, at an election called for the purpose, may vote to choose the one groundwater conservation district of which it will be a part.

(b) If, after a municipality has held an election authorized by Subsection (a), another groundwater conservation district created by special Act of the 77th Legislature, Regular Session, 2001, that includes any part of the municipality is confirmed at an election called for the purpose and if the district of which the municipality has chosen to be a part has not issued bonds secured by ad valorem
taxes on any land within the boundaries of the municipality, the
municipality may hold another election under this section to choose
whether to remain within the groundwater conservation district of
which it has chosen to be a part or to separate from that district
and become part of the newly confirmed groundwater conservation
district. The district may hold another election under this section,
regardless of the number of previous elections under this section, at
any time a district described by Subsection (a) is confirmed.

(c) Section 41.001(a), Election Code, does not apply to an
election under this section.

(d) This section and the results of an election held under this
section prevail over the provisions of any Act of the 77th
Legislature, Regular Session, 2001, other than Chapter 1312, Acts of
the 77th Legislature, Regular Session, 2001, regardless of the
relative dates on which Chapter 1312, Acts of the 77th Legislature,
Regular Session, 2001, and the other Act were enacted and became law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05,
eff. April 1, 2015.

Sec. 8870.007. EFFECT OF ANNEXATION OF LAND BY CERTAIN
MUNICIPALITIES. (a) In this section:

(1) "Inhabited land" means land on which at least one
fixed, permanent, and occupied dwelling is situated, as of the date
on which the land is annexed by a municipality.

(2) "Vacant land" means land on which no fixed, permanent,
and occupied dwelling is situated, as of the date on which the land
is annexed by a municipality.

(b) If a municipality that has held an election under Section
8870.006 or its predecessor statute, former Section 19, Chapter 1312,
Acts of the 77th Legislature, Regular Session, 2001, subsequently
annexes vacant land that is not located in the groundwater
conservation district chosen by the municipality in the election, the
annexed vacant land by that action:

(1) becomes part of the territory of the groundwater
conservation district chosen by the municipality in the election; and

(2) is disannexed from any other groundwater conservation
district in which the land is located.

(c) If a municipality that has held an election under Section
8870.006 or its predecessor statute, former Section 19, Chapter 1312, Acts of the 77th Legislature, Regular Session, 2001, subsequently annexes inhabited land that is not located in the groundwater conservation district chosen by the municipality in the election, the landowners of the annexed inhabited land may file a petition with the groundwater conservation district requesting inclusion in that district as provided by Subchapter J, Chapter 36, Water Code. Notwithstanding Section 36.325(b), Water Code, the petition must be signed by all of the landowners of the land to be annexed by the groundwater conservation district. If the affected landowners do not file a petition as provided by this subsection, the municipality shall hold an election under Section 8870.006 in which the voters in the annexed inhabited land may choose the one groundwater conservation district of which the annexed land will be a part.

(d) Any land annexed by the municipality after an election under Section 8870.006 or its predecessor statute, former Section 19, Chapter 1312, Acts of the 77th Legislature, Regular Session, 2001, and before the effective date of this section is:

1. territory of the district chosen by the municipality in the election; and
2. disannexed from any other groundwater conservation district in which the land is located.

(e) A disannexation of a groundwater conservation district's territory under this section does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other obligations of that groundwater conservation district. Property disannexed under this section is not released from its pro rata share of any indebtedness of that groundwater conservation district at the time of the disannexation, and that groundwater conservation district may continue to tax the property until that debt is paid.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8870.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05,
Sec. 8870.052. ELECTION OF DIRECTORS. (a) The district is divided into five numbered, single-member districts for electing directors.

(b) One director is elected from each single-member district. A director elected from a single-member district represents the residents of that single-member district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8870.053. ELECTION DATE. Each even-numbered year, on the uniform election date in May or another date authorized by law, the appropriate number of directors shall be elected.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8870.054. QUALIFICATIONS FOR OFFICE. (a) To be qualified to be a candidate for or to serve as director, a person must be a registered voter in the single-member district that the person represents or seeks to represent.

(b) The disqualification of a director is governed by Section 49.052, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8870.055. BOARD VACANCY. (a) The board shall appoint a replacement to fill a vacancy in the office of director.

(b) The appointed replacement serves until the next directors' election.

(c) At that election, a person is elected to fill the position. If the position is not scheduled to be filled at the election, the person elected to fill the position serves only for the remainder of the unexpired term.
Sec. 8870.056.  REVISION OF SINGLE-MEMBER DISTRICTS.  (a) The board may revise the single-member districts as necessary or appropriate.

(b) The board shall revise each single-member district after each federal decennial census to reflect population changes.

(c) At the first election after the single-member districts are revised, a new director shall be elected from each district. The directors shall draw lots to determine which two directors serve two-year terms and which three directors serve four-year terms.

Sec. 8870.101.  GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8870.102.  REGULATION OF WELLS. (a) The board may require all or certain types of wells in the district to be registered with the district.

(b) Notwithstanding Section 36.117, Water Code:

  (1) the production capacity for an exempt well in the district is 10,000 gallons per day or less; and

  (2) an exempt domestic well in the district may not serve more than five households.

(c) A well on or serving a tract of land of less than five acres that is installed after September 1, 2001, regardless of whether a plat is required or whether the production capacity of the well is less than 10,000 gallons per day, is not an exempt well.
(d) This section does not affect the exempt status of public water supply wells under Section 8870.103.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8870.103.  PUBLIC WATER SUPPLY WELLS; CERTAIN WELLS EXEMPT FROM REGULATION.  (a)  A public water supply well is exempt from regulation by the district if:

(1) the well existed on September 1, 2001, and was drilled in compliance with technical requirements in effect at the time the well was drilled; or

(2) the commission approved plans submitted for the installation of the well before September 1, 2001, and the installation of the well was completed in accordance with the approved plans and the commission's technical requirements before September 1, 2002.

(b) For the purposes of Subsection (a)(2), the installation of a well was timely completed if, before September 1, 2002, the well was drilled, cased, and cemented in accordance with the commission's technical requirements and the plans submitted to and approved by the commission before September 1, 2001, even if the well was capped for subsequent placement into service as part of a public water system.

(c) The owner of a public water supply well shall register the well with the district and submit reports to the district. A public water supply well is subject to the district's prohibitions on the waste of groundwater.

(d) The district may not require a construction or operating permit for a public water supply well approved by the commission.

(e) Fees a retail public utility pays to the district shall be collected directly from the customers of the utility as a regulatory fee and shown as a separate line item on the customer's bill.

(f) The district may not prohibit the sale, purchase, lease, or trade of groundwater by a private well owner under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
MAINTENANCE. The district may:

(1) construct, implement, and maintain best management practices in the district;
(2) engage in and promote the acceptance of best management practices through education efforts sponsored by the district;
(3) include the construction and maintenance of terraces and other structures on land in the district;
(4) engage in and promote land treatment measures for soil conservation and improvement; and
(5) prepare and implement a plan for the control and management of brush within the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8870.105. LIMITATIONS ON DISTRICT POWERS. The district may not:

(1) sell, donate, lease, or otherwise grant rights in or to underground water located in the district unless the action has been approved by a majority vote of district residents; or
(2) enter into any contract or engage in any action to purchase, sell, transport, and distribute surface water or groundwater for any purpose other than a program for aquifer storage and recovery of water.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 8870.151. MAINTENANCE AND OPERATION TAX. (a) Except as provided by Subsection (b), the board may impose a maintenance and operation tax if the tax is approved by a majority of the qualified voters voting at an election called and held for that purpose in the manner provided by Section 36.201, Water Code.

(b) If the district imposes a fee under Section 8870.153, the district may not impose a tax under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.
Sec. 8870.152. LIMITATION ON TAXES; PROHIBITED TAXES AND FEES. (a) The district may not assess an ad valorem tax for administrative, operation, and maintenance expenses in excess of three cents for each $100 valuation.

(b) The district may not impose a tax on or charge a fee to any person in the district who does not obtain water from the Trinity Aquifer.

(c) The district may not impose a fee or tax on:

(1) a municipality that has held an election under Section 8870.006 or its predecessor statute, Section 19, Chapter 1312, Acts of the 77th Legislature, Regular Session, 2001, and obtains at least 50 percent of its annual water supply from a source other than the Trinity Aquifer;

(2) a municipally owned utility, as defined by Section 13.002, Water Code, of a municipality described by Subdivision (1); or

(3) a resident of or other water user within a municipality described by Subdivision (1), whose sole source of water is the municipality or the municipally owned utility of the municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8870.153. FEES. (a) Except as provided by Subsection (g), the board may impose fees on each nonexempt well in the district.

(b) A fee may be assessed annually, based on:

(1) the size of column pipe used in the well;
(2) the production capacity of the well; or
(3) actual, authorized, and anticipated pumpage.

(c) A fee imposed under this section may not exceed:

(1) $1 per acre-foot for water used for agricultural purposes; or
(2) $40 per acre-foot for water used for a purpose other than an agricultural purpose.

(d) The board may use fees as a regulatory mechanism or a revenue-producing mechanism.
(e) The board shall adopt rules regarding:
(1) fee rates;
(2) the manner and form for filing reports of fees; and
(3) the manner of collecting fees.

(f) To secure payment of a fee imposed under this section, a lien attaches to the property on which the well is located. The lien has the same priority and characteristics as a lien for district taxes. The district may use the lien and all other powers that the district possesses to collect the payment of the fee.

(g) If the district imposes a tax under Section 8870.151, the district may not impose a fee under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8870.154. RECHARGE CREDITS. The board shall adopt rules regarding the issuance of appropriate recharge credits to persons in the district who:
(1) pay taxes or fees to the district; and
(2) enhance, supplement, improve, or prevent pollution of recharge of the Trinity Aquifer.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

Sec. 8870.155. USE OF DISTRICT FUNDS. (a) The district may use a tax collected under Section 8870.151 or a fee collected under Section 8870.153 to pay for the district's management and operation and to pay all or part of the principal of and interest on district bonds or notes.

(b) The board shall use a tax collected under Section 8870.151 or a fee collected under Section 8870.153 to pay for:
(1) studies and planning required to develop a scientifically based regulatory program;
(2) soil and water conservation measures, including water-retarding structures and brush management and the implementation of other best management practices to address natural resource concerns in the district;
(3) direct installation of water conservation devices and
early retirement of older devices;
(4) educational material relating to soil and water conservation; and
(5) enforcement programs or regulatory programs.
(c) The district may spend a tax collected under Section 8870.151 or a fee collected under Section 8870.153 for the purposes described by Subsection (b)(2) independently or in conjunction with other natural resource programs in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.05, eff. April 1, 2015.

CHAPTER 8871. SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8871.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Southwestern Travis County Groundwater Conservation District.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Travis County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district.
under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2.03 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2.03 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond; or
(3) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

SUBCHAPTER B. TEMPORARY AND INITIAL DIRECTORS

Sec. 8871.021. APPOINTMENT OF TEMPORARY DIRECTORS; VACANCIES; TERMS. (a) Seven persons who reside in the district shall be appointed as temporary directors not later than the 90th day after the effective date of the article of the Act creating this chapter as follows:

(1) the county judge of Travis County shall appoint one temporary director;
(2) the county commissioner for the county commissioners precinct in which the district is principally located shall appoint two temporary directors;
(3) the state representative who represents the house district in which the district is principally located shall appoint two temporary directors; and
(4) the state senator who represents the senate district in which the district is principally located shall appoint two temporary directors.
(b) If a temporary director fails to qualify for office or a vacancy occurs on the temporary board, the remaining temporary directors shall appoint a person to fill the vacancy. If at any time there are fewer than four temporary directors, the state representative under Subsection (a)(3) shall appoint the necessary number of persons to fill all vacancies on the board.

(c) Temporary directors serve until the date initial directors are elected at an election held under Section 8871.024.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.022. ORGANIZATIONAL MEETING. (a) Not later than the 45th day after the date on which the seventh temporary director is appointed under Section 8871.021, the temporary directors shall hold the organizational meeting of the district.

(b) The temporary directors shall select from among themselves a president, a vice president, and a secretary.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.023. AUTHORITY OF TEMPORARY DIRECTORS. (a) Except as provided by Subsections (c) and (d) or as otherwise provided by this subchapter, the temporary directors of the district have the same permitting and general management powers as those provided for initial and permanent directors under this chapter and Chapter 36, Water Code.

(b) The temporary directors or their designees have the authority to enter any public or private property located in the district to inspect a water well that is not exempt under Section 8871.103, as provided by Section 36.123, Water Code.

(c) Except as provided by Section 8871.024, the temporary directors do not have the authority granted by the following provisions of Chapter 36, Water Code:

(1) Sections 36.017, 36.019, 36.020, and 36.059;
(2) Sections 36.105, 36.1071, 36.1072, 36.1073, and 36.108;
(3) Sections 36.171-36.181;
(4) Sections 36.201-36.204; and
(5) Subchapters J and K.

(d) The temporary directors may regulate the transfer of groundwater out of the district as provided by Section 36.122, Water Code, but may not prohibit the transfer of groundwater out of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 669, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8871.024. CONFIRMATION AND INITIAL DIRECTORS' ELECTION.
(a) The temporary directors shall order an election in the district, to be held not later than the uniform election date in May 2018, to confirm the creation of the district and to elect the initial directors.

(b) At the election held under this section, the temporary board shall have placed on the ballot the names of the candidates who are eligible under Section 8871.051 for each of the seven positions on the board.

(c) Section 41.001(a), Election Code, applies to an election held under this section.

(d) Except as provided by this section, an election held under this section must be conducted as provided by the Election Code and Sections 36.017, 36.018, and 36.019, Water Code. The following provisions of the Water Code do not apply to an election under this section:

1. Section 36.017(a);
2. the provision of Section 36.017(d) governing ballot provisions for the election of permanent directors; and
3. Section 36.059(b).

(e) If the district's creation is not confirmed at an election held under Subsection (a), the candidate who receives a majority of the votes cast at that election for each of the seven positions on the board becomes a temporary director of the district. The temporary directors elected under this subsection shall order a subsequent election to be held to confirm the creation of the district and to elect the initial directors not earlier than the
uniform election date in May 2020.

(f) Temporary directors elected under Subsection (e) serve until:

(1) the date initial directors are elected at the subsequent election ordered under Subsection (e) if the creation of the district is confirmed; or

(2) the fourth anniversary of the date of the election held under Subsection (a) if the creation of the district is not confirmed.

(g) The vacancy provision of Section 8871.021, and Section 8871.023, apply to the temporary directors elected under Subsection (e).

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.025. INITIAL DIRECTORS. (a) Promptly after an election has been held under Section 8871.024 and the votes have been canvassed, if the creation of the district is confirmed, the temporary directors shall:

(1) declare for each board position the person who receives the most votes for that position to be elected as the initial director for that position; and

(2) include the results of the initial directors' election in the district's election report to the commission.

(b) The initial directors shall draw lots to determine which three initial directors serve two-year terms and which four initial directors serve four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8871.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven directors.

(b) Directors elected after the election held under Section 8871.024 serve four-year terms.

(c) The directors are elected as follows:

(1) one director must reside in the corporate limits of the
City of Bee Cave and be elected by voters residing in the City of Bee Cave;

(2) one director must reside in the corporate limits of the City of Lakeway or Village of the Hills and be elected by voters residing in the City of Lakeway and Village of the Hills;

(3) one director must reside in the corporate limits of the City of West Lake Hills and be elected by voters residing in the City of West Lake Hills; and

(4) four directors must:
   (A) reside inside the district and outside the corporate limits of the City of Bee Cave, City of Lakeway, Village of the Hills, and City of West Lake Hills;
   (B) be elected by voters residing inside the district and outside the corporate limits of the City of Bee Cave, City of Lakeway, Village of the Hills, and City of West Lake Hills; and
   (C) each use groundwater as a source of water supply for one or more beneficial uses at their respective residences.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8871.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.102. AQUIFER STORAGE AND RECOVERY PROJECTS. The district may implement and develop aquifer storage and recovery projects in accordance with:
   (1) Chapters 27 and 36, Water Code; and
   (2) commission rules and guidance.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02,
Sec. 8871.103. EXEMPT WELLS. (a) Groundwater withdrawals from the following wells may not be regulated, permitted, or metered by the district:

(1) a well used for domestic use by a single private residential household and incapable of producing more than 10,000 gallons per day; and

(2) a well used solely for domestic use or for providing water for livestock or poultry if the well is:

(A) located or to be located on a tract of land larger than 10 acres; and

(B) drilled, completed, or equipped so that it is incapable of producing more than 25,000 gallons of groundwater a day.

(b) The district may not charge or collect a well construction fee for a well described by Subsection (a)(2).

(c) A well used for dewatering and monitoring in the production of coal or lignite is exempt from permit requirements, regulations, and fees imposed by the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.104. PERMIT REQUIRED. A well owner must obtain a permit and pay any required fees, including a well construction fee, before using any groundwater withdrawn from a well for purposes other than those exempted by Section 8871.103.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.105. ACCESS TO PROPERTY. (a) Subject to Subsection (b), an employee or agent of the district is entitled to enter public or private property in the district at any reasonable time to:

(1) inspect an exempt well;

(2) inspect and investigate conditions relating to the quality of water in the state; and

(3) monitor compliance with any rule, regulation, permit,
or other order of the district.

(b) An employee or agent of the district must obtain the permission of the property owner before entering public or private property.

(c) If any employee or agent of the district is refused the right to enter public or private property in the district under this section, the district may seek a court order from a district court authorizing the district to enter the land.

(d) An employee or agent who enters private property under this section shall:
   (1) observe the property's rules and regulations, if any, concerning safety, internal security, and fire protection;
   (2) notify management or a person in charge of the presence of the employee or agent; and
   (3) exhibit proper credentials.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 8871.151. WELL CONSTRUCTION FEE. The district may charge and collect a new well construction fee not to exceed $1,000 for a new well.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.152. PERMIT RENEWAL APPLICATION FEE. The district may charge and collect a permit renewal application fee not to exceed $400.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02,
Sec. 8871.153. SERVICE CONNECTION FEE. (a) This section does not apply to a water utility that has surface water as its sole source of water.

(b) The district may levy and collect a water utility service connection fee not to exceed $1,000 for each new water service connection made after September 1, 2017.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.154. PRODUCTION FEE. The district may impose reasonable production fees on each well that is not exempt from permitting under Section 8871.103 based on the amount of water actually withdrawn from the well. The district may not impose a production fee under this section in an amount greater than 20 cents per thousand gallons.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.155. ADMINISTRATIVE MANAGEMENT FEE. The district may set a reasonable fee for administrative management on a per well basis. The district may set a fee for administrative management on a well that is exempt from permitting in an amount not greater than $40 per well, per year.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

Sec. 8871.156. CERTAIN FEES PROHIBITED. The district may not charge a fee under Section 36.205(b), (c), or (f), Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.
Sec. 8871.157. LIMITATION ON AUTHORITY TO IMPOSE TAXES. The district does not have the authority granted by Sections 36.020 and 36.201-36.204, Water Code, relating to taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 2.02, eff. September 1, 2017.

For contingent expiration of this chapter, see Section 8873.003.

CHAPTER 8873. DEEP EAST TEXAS GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8873.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Deep East Texas Groundwater Conservation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.002. NATURE OF DISTRICT; FINDINGS. (a) The district is a groundwater conservation district in Sabine, San Augustine, and Shelby Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
(b) The district is created to serve a public use and benefit.
(c) All of the land and other property included within the boundaries of the district will be benefited by the works and projects that are to be accomplished by the district under powers conferred by this chapter and by Chapter 36, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8873.023 before September 1, 2015:
(1) the district is dissolved on September 1, 2015, except that:
(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to each county in proportion to the contribution of money made; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2017.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.004. INITIAL DISTRICT TERRITORY. (a) Except as provided by Subsections (b) and (c), the initial boundaries of the district are coextensive with the boundaries of Sabine, San Augustine, and Shelby Counties.

(b) If the creation of the district is not confirmed by the voters of a county at an election held under Section 8873.023, that county is not included in the district.

(c) If a majority of the voters of the City of Center do not vote at an election under Section 8873.024 in favor of the inclusion in the district of the territory of the city, as that territory exists on the date of the election, the territory of the City of Center is not included in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.005. ADDITION OF ADJACENT COUNTY TO DISTRICT. (a) An adjacent county may petition to join the district by resolution of the county commissioners court.

(b) If, after a hearing on the resolution, the board finds that the addition of the county would benefit the district and the county to be added, the board by resolution may approve the addition of the county to the district.

(c) The addition of a county under this section is not final until approved by the voters in the county to be added at an election held for that purpose.

(d) The ballot for the election shall be printed to permit voting for or against the proposition: "The addition of (county's
name) to the Deep East Texas Groundwater Conservation District."

(e) If a majority of the votes are cast in favor of the addition of the county to the district, the county is added to the district, and the district boundaries are adjusted accordingly. If less than a majority of the votes are cast in favor of the addition of the county to the district, the county is not added to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.006. LANDOWNERS' RIGHTS. The rights of landowners and their lessees and assigns in groundwater in the district are recognized. Nothing in this chapter shall be construed to deprive or divest the owners or their lessees and assigns of their rights, subject to district rules.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.007. REVIEW OF RESOLUTION REQUESTING LEGISLATION. The board may not vote on a resolution requesting the legislature to amend this chapter unless the board first submits for review a copy of the proposed resolution to the commissioners court of each county included in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8873.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven, five, or three directors appointed as provided by this section.

(b) If the voters in Sabine, San Augustine, and Shelby Counties confirm the creation of the district, seven directors shall be appointed as follows:

(1) the county judge of each confirming county shall appoint two directors who are residents of that county; and
(2) the county judges of the confirming counties shall by majority vote jointly appoint one director, who shall serve as board chair, from the district at large.

(c) If the voters in only two of the counties confirm the creation of the district, five directors shall be appointed as follows:

(1) the county judge of each confirming county shall appoint two directors who are residents of that county; and

(2) the county judges of the confirming counties shall jointly appoint one director, who shall serve as board chair, from the district at large.

(d) Notwithstanding Section 36.051(a), Water Code, if the voters and the commissioners court of only one county confirm the creation of the district, the county judge of that county:

(1) shall appoint three directors who are residents of that county and designate one of those directors as board chair; and

(2) may appoint two directors, in addition to the three directors appointed under Subdivision (1), who are residents of that county.

(e) Directors serve staggered four-year terms, with as near as possible to one-half of the directors' terms expiring December 31 of each odd-numbered year.

(f) A director may not serve more than two terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.052. CHANGE IN COMPOSITION; ADDITIONAL COUNTY. If a county is added to the district, the board may change the number of directors so that:

(1) an equal number of directors are appointed by the county judge of each county in the district;

(2) one director is appointed jointly by the county judges of each county in the district; and

(3) the board is composed of an odd number of directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.
Sec. 8873.053. QUALIFICATION OF DIRECTORS. Each director must qualify to serve as a director in the manner provided by Section 36.055, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.054. VACANCIES. If a vacancy occurs on the board, the appointing county judge or, if applicable, the appointing county judges for the vacant position shall appoint a person to fill the vacancy in a manner that meets the representational requirements of Section 8873.051. Section 36.051(c), Water Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.055. COMPENSATION; REIMBURSEMENT. (a) Notwithstanding Sections 36.060(a) and (d), Water Code, a director may not receive compensation for performing the duties of director.

(b) A director is entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8873.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.
Sec. 8873.102. PERMIT TO TRANSFER GROUNDWATER. (a) The board by rule may:

(1) require a person to obtain a permit from the district to transfer groundwater out of the district; and

(2) regulate the terms of a transfer of groundwater out of the district.

(b) A rule adopted by the board under this section must be consistent with the requirements of Section 36.122, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.103. PROHIBITION ON DISTRICT PURCHASE OF GROUNDWATER RIGHTS. The district may not purchase groundwater rights for any purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.104. PROHIBITION ON DISTRICT PRODUCTION OF GROUNDWATER FOR PURPOSE OF SALE. The district may not produce groundwater for the purpose of sale.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.105. PROHIBITION ON DISTRICT METERING OF CERTAIN WELLS. The district may not require that a meter be placed on a well that is incapable of producing more than 25,000 gallons of groundwater per day.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.106. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.
Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8873.151. LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds five cents on each $100 valuation of taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

Sec. 8873.152. PERMIT FEES REFUNDABLE. The district shall refund a fee collected by the district that relates to an application for or the issuance of a permit if:

(1) the permit relates to a well that is incapable of producing more than 25,000 gallons of groundwater per day; and
(2) the applicant for the permit has complied with the applicable law and district rules relating to the issuance of the permit.

Added by Acts 2013, 83rd Leg., R.S., Ch. 496 (S.B. 1840), Sec. 1, eff. June 14, 2013.

CHAPTER 8874. McMULLEN GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8874.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the McMullen Groundwater Conservation District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 467 (S.B. 1012), Sec. 1, eff. September 1, 2013.

Sec. 8874.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas
Sec. 8874.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Sec. 8874.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of McMullen County unless the district's territory has been modified under:
(1) Subchapter J, Chapter 36, Water Code; or
(2) other law.

Sec. 8874.005. DISTRICT NAME CHANGE. The board may change the district's name when the district annexes territory.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8874.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.
Sec. 8874.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method as provided by this section.

(b) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.

(c) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or

(2) that the person seeks to represent the district at large.

(d) When the boundaries of the county commissioners precincts are changed, each director in office on the effective date of the change or elected to a term of office beginning on or after the effective date of the change serves in the precinct to which the director was elected for the entire term to which the director was elected, even though the change in boundaries places the person's residence outside the precinct for which the person was elected.

Added by Acts 2013, 83rd Leg., R.S., Ch. 467 (S.B. 1012), Sec. 1, eff. September 1, 2013.

Sec. 8874.053. ELECTION DATE. On the uniform election date in November of each odd-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2013, 83rd Leg., R.S., Ch. 467 (S.B. 1012), Sec. 1, eff. September 1, 2013.

Sec. 8874.054. QUALIFICATIONS FOR OFFICE. (a) To be qualified to be a candidate for or to serve as director at large, a person must be a registered voter in the district.

(b) To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct, except as provided by Section 8874.052(d).

(c) A person is not eligible to serve as a director unless the person owns land in the district.
Sec. 8874.055. BOARD VACANCY. If there is a vacancy on the board, the remaining directors shall appoint a director to serve the remainder of the term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 467 (S.B. 1012), Sec. 1, eff. September 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8874.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 467 (S.B. 1012), Sec. 1, eff. September 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8874.151. LIMITATION ON TAXES. The district may not impose an ad valorem tax at a rate that exceeds five cents on each $100 valuation of taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 467 (S.B. 1012), Sec. 1, eff. September 1, 2013.

CHAPTER 8875. COMAL TRINITY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8875.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Commissioners court" means the Comal County Commissioners Court.
(4) "Director" means a member of the board.
(5) "District" means the Comal Trinity Groundwater Conservation District.

(6) "Retail public utility" means a retail public utility as defined by Section 13.002, Water Code, that is providing service in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 656 (H.B. 2407), Sec. 1, eff. June 17, 2015.

Sec. 8875.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Comal County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 656 (H.B. 2407), Sec. 1, eff. June 17, 2015.

Sec. 8875.003. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Comal County, Texas, except that the district does not include any territory that is included in the boundaries of the Trinity Glen Rose Groundwater Conservation District.

Added by Acts 2015, 84th Leg., R.S., Ch. 656 (H.B. 2407), Sec. 1, eff. June 17, 2015.

Sec. 8875.004. CONFLICTS OF LAW. This chapter prevails over any provision of general law, including a provision of Chapter 36, Water Code, that is in conflict or is inconsistent with this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 656 (H.B. 2407), Sec. 1, eff. June 17, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8875.051. COMPOSITION OF BOARD. The district is governed by a board of seven appointed directors.
Sec. 8875.052. TERMS AND APPOINTMENT OF DIRECTORS. (a) Directors serve staggered four-year terms. Directors are appointed by the commissioners court as follows:
(1) three directors shall be appointed from the incorporated areas of Comal County; and
(2) four directors shall be appointed with one director appointed from each of the four commissioners court precincts.
(b) To be appointed under this section, a person:
(1) must be a registered voter of Comal County; and
(2) to the extent practicable, should be familiar with the use of water by industry and commerce, municipal and rural utilities, agriculture, and private wells.

Sec. 8875.053. VACANCIES. If there is a vacancy on the board, the commissioners court shall appoint a person to fill the vacancy for the remainder of the term in a manner that meets the representational requirements of Section 8875.052.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 8875.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.
Sec. 8875.102. CONTRACTS. The district may contract with a state agency or political subdivision, including a municipality, a county, a river authority, or another district, to carry out any function of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 656 (H.B. 2407), Sec. 1, eff. June 17, 2015.

Sec. 8875.103. BEST MANAGEMENT PRACTICES. (a) The district may participate in the development and implementation of best management practices for water resource management in the district and may engage in and promote the acceptance of best management practices through education efforts sponsored by the district.

(b) Development and implementation of best management practices must address water quantity and quality practices such as brush management, prescribed grazing, recharge structures, water and silt detention and retention structures, plugging of abandoned wells, rainwater harvesting, and other treatment measures for the conservation of water resources.

(c) The district may not adopt or implement a best management practice that is in conflict with or duplicative of a best management practice adopted by another groundwater conservation district whose territory covers any part of Comal County.

Added by Acts 2015, 84th Leg., R.S., Ch. 656 (H.B. 2407), Sec. 1, eff. June 17, 2015.

Sec. 8875.104. LIMITATIONS ON DISTRICT POWERS. (a) The district may not:

(1) require the owner of a well exempt from permitting to install a meter or measuring device on the well; or

(2) assess and collect a production fee on wells exempt from permitting.

(b) The district does not have the authority granted by Sections 36.020 and 36.201-36.204, Water Code, relating to taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 656 (H.B. 2407), Sec. 1, eff. June 17, 2015.
Sec. 8875.105. PRODUCTION LIMITS AND PERMITS FOR CERTAIN WELLS.

(a) In this section:

(1) "Maximum production capacity" means the rated capacity of a well that is measured in gallons per minute of production as certified by the driller of the well or a professional geologist or engineer.

(2) "Trinity Aquifer" means the Trinity group of aquifers, including the:

(A) Upper Trinity, consisting of the Upper Glen Rose Limestone;

(B) Middle Trinity, consisting of the Lower Glen Rose Limestone, the Hensall Sand, and the Cow Creek Limestone; and

(C) Lower Trinity, consisting of the Sligo Limestone and the Hosston Sand.

(b) Notwithstanding Section 36.117(j), Water Code, the district shall issue to an applicant a permit for a well that is not exempt from permitting and that was drilled into or through the Trinity Aquifer on or before the effective date of the Act enacting this chapter that authorizes the production of the well at an amount not less than the maximum production capacity of the well.

(c) Notwithstanding Section 36.117(j), Water Code, a well that is not exempt from permitting and that was drilled into or through the Trinity Aquifer after the effective date of the Act enacting this chapter requires a permit from the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 656 (H.B. 2407), Sec. 1, eff. June 17, 2015.

Sec. 8875.106. WELL EXEMPTION. A well is exempt from the requirement to obtain a withdrawal permit provided that the well:

(1) is used solely for domestic use or for providing water for livestock or poultry regardless of land lot size and is drilled, completed, or equipped so that it is incapable of producing more than 25,000 gallons of groundwater a day;

(2) is not capable of producing more than 10,000 gallons of water a day; or

(3) is metered and does not produce more than 10 acre-feet of water in a calendar year.

Added by Acts 2015, 84th Leg., R.S., Ch. 656 (H.B. 2407), Sec. 1, eff.
Sec. 8875.107. MEASURING DEVICES. (a) The owner of a nonexempt well shall install and maintain a water well meter, or alternative measuring device or method approved by the district, designed to indicate the flow rate and cumulative amount of water withdrawn by that well, on each individual well no later than 36 months after the effective date of the Act enacting this chapter. (b) A well owner is responsible for the costs of installing, operating, and maintaining measuring devices.

Added by Acts 2015, 84th Leg., R.S., Ch. 656 (H.B. 2407), Sec. 1, eff. June 17, 2015.

Sec. 8875.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2015, 84th Leg., R.S., Ch. 656 (H.B. 2407), Sec. 1, eff. June 17, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8875.151. FEES. (a) The district may set a reasonable fee for administrative management on a per well basis. The district may set a fee for administrative management on:

(1) a well used solely for domestic or livestock purposes in an amount not greater than $15 per well, per year; and

(2) a well that is exempt from permitting and that is not used solely for domestic or livestock purposes in an amount not greater than $50 per well, per year.

(b) The district may impose reasonable production fees on each well that is not exempt from permitting based on the amount of water actually withdrawn from the well. The district may not impose a production fee under this subsection in an amount greater than:

(1) $1 per acre-foot for groundwater used for agricultural purposes; or

(2) $40 per acre-foot for groundwater used for any other purpose.
Sec. 8876.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Commissioners court" means the Reeves County Commissioners Court.

(3) "Director" means a member of the board.

(4) "District" means the Reeves County Groundwater Conservation District.

Sec. 8876.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Reeves County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8876.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8876.022 before December 31, 2018:

(1) the district is dissolved December 31, 2018, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Reeves County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires December 31, 2020.
Sec. 8876.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Reeves County.

Sec. 8876.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. (a) Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.
(b) Section 36.121, Water Code, does not apply to the district.

For expiration of this subchapter, see Section 8876.024.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8876.021. APPOINTMENT OF TEMPORARY DIRECTORS; TERMS. (a) Not later than the 45th day after the effective date of the Act enacting this chapter, the commissioners court shall appoint temporary directors as follows:
(1) three directors shall represent agricultural interests;
(2) three directors shall represent municipal water interests; and
(3) one director shall represent rural domestic water supply interests.
(b) For the purpose of Subsection (a), a person appointed to represent agricultural interests must be involved in agriculture, as defined by Section 11.002(12), Water Code.
(c) To be appointed under this section, a person must satisfy the requirements for holding elective office under Section 141.001, Election Code.
(d) If there is a vacancy on the temporary board of directors of the district, the commissioners court shall appoint a person to
fill the vacancy in a manner that meets the representational requirements of this section.

(e) Temporary directors serve until the earlier of:
1. the date the temporary directors become initial directors under Section 8876.023; or
2. the fourth anniversary of the effective date of the Act creating this chapter.

(f) If the temporary directors have not become initial directors under Section 8876.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed in the manner provided by Subsections (a), (b), and (c) to serve terms that expire on the date the successor temporary directors become initial directors under Section 8876.023 or this subchapter expires under Section 8876.024.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.

Sec. 8876.022. CONFIRMATION ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district.

(b) Section 41.001(a), Election Code, does not apply to an election held under this section.

(c) Except as provided by this section, a confirmation election must be conducted as provided by Sections 36.017(b)-(i), Water Code, and the Election Code. The provision of Section 36.017(d), Water Code, relating to the election of directors does not apply to an election under this section.

(d) If the district's creation is not confirmed at an election held under this section, the temporary directors may order one or more subsequent elections to be held to confirm the creation of the district not earlier than the first anniversary of the preceding confirmation election. If the district's creation is not confirmed at an election held under this section before December 31, 2018, the district is dissolved in accordance with Section 8876.003.

(e) The costs of an election held under this chapter may be paid by Reeves County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.
Sec. 8876.023. INITIAL DIRECTORS. (a) If the creation of the district is confirmed at an election held under Section 8876.022, the temporary directors become the initial directors and serve until permanent directors are appointed under Section 8876.052.

(b) The initial directors of the board shall draw lots to determine which three directors shall serve a term expiring December 1 of the year two years after the date of the election in which the district is confirmed and which four directors shall serve a term expiring December 1 of the year four years after the date of the election in which the district is confirmed.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.

Sec. 8876.024. EXPIRATION OF SUBCHAPTER. This subchapter expires December 31, 2020.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8876.051. COMPOSITION OF BOARD. The district is governed by a board of seven appointed directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.

Sec. 8876.052. TERMS AND APPOINTMENT OF DIRECTORS. (a) Directors serve staggered four-year terms, with three or four terms expiring December 1 every other year. Directors are appointed by the commissioners court as follows:

(1) three directors shall represent agricultural interests;
(2) three directors shall represent municipal water interests; and
(3) one director shall represent rural domestic water supply interests.
(b) For the purpose of Subsection (a), a person appointed to represent agricultural interests must be involved in agriculture, as defined by Section 11.002(12), Water Code.

(c) To be appointed under this section, a person must satisfy the requirements for holding elective office under Section 141.001, Election Code.

(d) A director may serve two consecutive terms and may serve another two consecutive terms after not serving for four years.

(e) The commissioners court shall appoint a director to succeed a serving director on or before the date the serving director's term expires.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.

Sec. 8876.053. VACANCIES. If there is a vacancy on the board, the commissioners court shall appoint a person to fill the vacancy for the remainder of the term in a manner that meets the representational requirements of Section 8876.052.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.

Sec. 8876.054. COMPENSATION. (a) Sections 36.060(a), (b), and (d), Water Code, do not apply to the district.

(b) A director is not entitled to receive compensation. The board may authorize a director to receive reimbursement for the director's reasonable expenses incurred while engaging in activities on behalf of the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8876.101. GENERAL POWERS. Except as otherwise provided by this chapter, the district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state applicable to groundwater conservation districts created under
Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.

Sec. 8876.102. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8876.151. LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds three cents on each $100 valuation of taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 2, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Sections 26.04, 26.05, 26.06, and 26.07, Tax Code, do not apply to a tax imposed by the district.

(b) Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003, applies to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 457 (S.B. 890), Sec. 1, eff. June 14, 2013.

Sec. 8876.153. LIMITATION ON INDEBTEDNESS. The district may issue bonds and notes under Subchapter F, Chapter 36, Water Code, except that the total indebtedness created by that issuance may not exceed $250,000 at any time.
CHAPTER 8877. CLEARWATER UNDERGROUND WATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8877.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Clearwater Underground Water Conservation District.

Sec. 8877.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Bell County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8877.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Sec. 8877.004. DISTRICT TERRITORY. The district includes the territory located in Bell County unless the district's territory has been modified under:
(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.
Sec. 8877.005. CONFLICTS OF LAW. This chapter prevails over any provision of general law that is in conflict or inconsistent with this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8877.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8877.052(d), directors serve staggered four-year terms.

Sec. 8877.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method as provided by this section.

(b) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.

(c) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or

(2) that the person seeks to represent the district at large.

(d) At the first election after the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, four new directors shall be elected to represent the newly redrawn precincts. The directors from precincts one and three shall be elected for two-year terms. The directors from precincts two and four shall be elected for four-year terms. When the directors elected from the new precincts take office, the terms of the directors elected from the previous precincts expire.
Sec. 8877.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date in November of each even-numbered year.

Sec. 8877.054. QUALIFICATIONS FOR OFFICE. (a) To be qualified to be a candidate for or to serve as director at large, a person must be a registered voter in the district.
(b) To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

Sec. 8877.101. GENERAL POWERS AND DUTIES. The district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8877.151. MAINTENANCE AND OPERATION TAX. (a) Except as provided by Subsection (b), the district may impose an ad valorem tax at a rate not to exceed five cents on each $100 of valuation of property in the district to pay for the maintenance and operation of the district on approval of a majority of the voters of the district at an election held for that purpose.
(b) The board may increase the maximum amount of ad valorem taxes that may be imposed in the district:

(1) if the board determines that the maximum tax authorized by Subsection (a) is not sufficient to pay the maintenance and operating expenses of the district; and

(2) on approval of a majority of the voters of the district voting at an election held for that purpose.

(c) The maximum amount of taxes that may be authorized under this section may not exceed 25 cents on each $100 of valuation of property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

CHAPTER 8878. WEST FORT BEND WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8878.001. DEFINITIONS. In this chapter:

(1) "Authority" means the West Fort Bend Water Authority.

(2) "Board" means the board of directors of the authority.

(3) "Commission" means the Texas Commission on Environmental Quality or its successor.

(4) "Director" means a member of the board.

(5) "District" means any district created under Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution, regardless of the manner of creation, other than:

(A) a navigation district or port authority;

(B) a district governed by Chapter 36, Water Code; or

(C) a district that does not have the legal authority to supply water.

(6) "Groundwater reduction plan" means a plan adopted or implemented to supply water, reduce reliance on groundwater, regulate groundwater pumping and usage, or require and allocate water usage among persons in order to comply with or exceed requirements imposed by the Fort Bend Subsidence District or applicable subsidence district, including any applicable groundwater reduction requirements.

(7) "Large tract" means a tract of land of at least 1,000 acres owned by a single landowner.

(8) "Local government" means a municipality, county,
(9) "Subsidence" means the lowering in elevation of the surface of land by the withdrawal of groundwater.

(10) "System" means a network of pipelines, conduits, valves, canals, pumping stations, force mains, treatment plants, and any other construction, device, or related appurtenance used to treat or transport water.

(11) "Water" includes:

(A) groundwater, percolating or otherwise;
(B) any surface water, natural or artificial, navigable or nonnavigable; and
(C) industrial and municipal wastewater.

(12) "Well" includes a facility, device, or method used to withdraw groundwater from a groundwater source within the boundaries of the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.002. NATURE OF AUTHORITY. The authority is a regional water authority in Fort Bend County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution, including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, and recharge of groundwater and of groundwater reservoirs or their subdivisions, the prevention of waste of groundwater, the control of subsidence caused by the withdrawal of water from groundwater reservoirs or their subdivisions, and other public purposes stated in this chapter. The authority is a political subdivision of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.003. CONFIRMATION ELECTION NOT REQUIRED. An election to confirm the creation of the authority is not required.
Sec. 8878.004. INITIAL AUTHORITY TERRITORY. (a) The authority is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the authority;

(2) the right of the authority to issue any type of bond or note for the purposes for which the authority is created or to pay the principal of and interest on a bond or note;

(3) the right of the authority to impose or collect a fee, user fee, rate, or charge; or

(4) the legality or operation of the authority.

(c) All of the territory of a local government created after the effective date of the Act creating this chapter that encompasses any territory within the boundaries of the authority, immediately on the creation and without any action required of the authority, is subject to all of the rights, powers, privileges, and rules of the authority to the same extent as the territory was before the local government was created.

Sec. 8878.005. EXCLUSION OF CERTAIN TERRITORY. (a) The governing body of a district or municipality or the owner of a large tract may petition for exclusion of all of the territory of the municipality, district, or large tract from the authority's boundaries if, on the effective date of the Act creating this chapter, all or any part of the municipality, district, or large tract is located in the territory described by Section 2 of the Act creating this chapter. The petition must be signed, as applicable, by a majority of the members of the governing body of the district or
municipality or by the landowner of the large tract.

(b) The board shall:

(1) not later than the 180th day after the effective date of the Act creating this chapter, grant the petition and order the territory excluded if the petition:
   (A) includes an accurate legal description of the boundaries of the territory to be excluded; and
   (B) is filed with the authority not later than the 120th day after the effective date of the Act creating this chapter; and

(2) if the board grants the petition, file for recording in the office of the county clerk for the applicable county or counties a copy of the order and a description of the authority's boundaries as they exist after the exclusion of the territory.

(c) If a district, municipality, or large tract is excluded from the authority's boundaries under this section, the authority is not required to:

(1) provide water or any other service to the district, municipality, or large tract; or

(2) include the district, municipality, or large tract in any groundwater reduction plan adopted or implemented by the authority.

(d) If, not later than the 120th day after the effective date of this chapter, the governing body of a district or municipality or the owner of a large tract files a petition for exclusion under this section, the authority may not impose fees, user fees, rates, or charges on the district, municipality, or large tract after the petition is filed with the authority unless the district, municipality, or large tract is annexed by the authority under Section 8878.006.

(e) If a district or municipality excluded or the owner of a large tract excluded from the authority's boundaries under this section petitions the authority to be annexed under Section 8878.006, the authority may annex the district, municipality, or large tract. The authority may, as a condition of annexation, require terms and conditions the board considers appropriate. The authority may require the district, municipality, or owner of the large tract to pay the authority the fees, user fees, and charges, with interest, that, as determined by the authority, the district, municipality, or owner of the large tract would have been charged by the authority if
the district, municipality, or large tract had not been excluded from the authority under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.006. ANNEXATION. (a) Except to the extent the authority agrees in writing, a municipality's annexation of territory within the authority does not affect:

(1) the authority's powers inside or outside the annexed territory;

(2) the authority's boundaries or contracts; or

(3) the authority's ability to assess fees, user fees, rates, or charges inside or outside the territory annexed by the municipality.

(b) Territory may be annexed to the authority, regardless of whether the territory is contiguous to the authority, as provided by Chapter 49, Water Code.

(c) In addition to the authority granted by Subsection (b), regardless of whether the territory is contiguous to the authority, the authority may annex some or all of the territory located within a district or municipality if the district or municipality files with the authority a petition requesting the annexation signed by a majority of the members of the governing body of the district or municipality. The petition must include an accurate legal description of the boundaries of the territory to be included. If the authority has bonds, notes, or other obligations outstanding, the authority shall require the petitioning district or municipality to be obligated to pay its share of the principal of and interest on the outstanding bonds, notes, or other obligations, and related costs. The board may grant the petition and order the territory described by the petition annexed to the authority if it is feasible, practicable, and to the advantage of the authority.

(d) Any territory that a district located within the authority annexes becomes territory of the authority on the effective date of the annexation without any action required of the authority. The authority by rule may require all districts located within the authority to send to the authority written notice of the effective date of an annexation and require the districts to send to the
authority copies of any necessary documents describing the annexed land and describing the districts' boundaries as they exist after inclusion of the annexed land.

(e) The annexation to the authority of territory under this section does not affect the validity of the authority's bonds issued before or after the annexation.

(f) A municipality that annexes territory of the authority for limited purposes under Subchapter F, Chapter 43, Local Government Code, does not have the right to:

(1) receive notices from the authority under Section 8878.103(c);
(2) participate in the appointment of directors under Subchapter B; or
(3) receive information about or have the opportunity to fund its share of capital costs in the manner provided by the authority under Section 8878.104.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.007. APPLICABILITY OF OTHER LAW. (a) Except as otherwise provided by this chapter, Chapter 49, Water Code, applies to the authority.

(b) This chapter does not prevail over or preempt a provision of Chapter 36, Water Code, or of Chapter 8801 or 8834 of this code that is being implemented by the Fort Bend Subsidence District or applicable subsidence district.

(c) Chapter 36, Water Code, does not apply to the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.008. FINDING OF BENEFIT. All the land, property, and persons included within the boundaries of the authority will be directly benefited by the works, projects, improvements, and services to be provided by the authority under powers conferred by Section 59, Article XVI, Texas Constitution, and this chapter. The authority is created to serve a public use and benefit. The creation of the authority will serve to promote the health, safety, and general
welfare of persons within the authority and the general public. Any fees, user fees, rates, or charges imposed by the authority under this chapter are necessary to pay for the costs of accomplishing the purposes of the authority as set forth in Section 59, Article XVI, Texas Constitution, and this chapter, including:

1. the reduction of groundwater withdrawals;
2. the facilitation of compliance with the requirements of the Fort Bend Subsidence District or applicable subsidence district; and
3. the provision of services, facilities, and systems.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8878.051. DIRECTORS; TERMS. (a) The authority is governed by a board of five directors.

(b) The directors serve staggered four-year terms, with two or three directors' terms expiring May 15 of each even-numbered year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.052. ELIGIBILITY TO SERVE AS DIRECTOR. To be eligible to serve as a director of the authority or to be listed as provided by Section 8878.056 on a ballot as a candidate for director of the authority representing a director precinct, an individual must:

1. be at least 18 years of age;
2. be a resident of the authority; and
3. have served as a director of one or more districts or as a member of the governing body of a municipality within the authority for a total of at least four years.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.053. DISQUALIFICATION OF DIRECTORS. Subject to
Section 8878.061, the common law doctrine of incompatibility does not disqualify an official or an employee of a public entity from serving as a director of the authority. A director who is also an official or an employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.054. CONFLICTS OF INTEREST. Chapter 171, Local Government Code, governs conflicts of interest of board members.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.055. SINGLE-MEMBER DIRECTOR PRECINCTS. (a) The authority is divided into five single-member director precincts, the initial territories of which are described by Section 3 of the Act creating this chapter.

(b) The board may redraw the single-member director precincts in a manner that is reasonable and equitable:

1. after any change in the boundaries of the authority; or
2. by a resolution redrawing the director precincts adopted by a two-thirds majority of the board, based on changed circumstances.

(c) The boundaries and field notes for each precinct contained in Section 3 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the selection of a director under this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.056. METHOD OF APPOINTMENT OF DIRECTORS. (a) Except as provided by Section 8878.057, the governing bodies of the districts and municipalities located within each director precinct
jointly shall appoint one director to represent the precinct by a vote conducted as provided by this section.

(b) If a district or municipality is located within two or more director precincts, the district or municipality is considered, for purposes of this section, to be located only within the director precinct in which the greatest amount of territory of the district or municipality is located.

(c) For the appointment of a director for a director precinct, the board shall determine the number of votes each district or municipality may cast. The number of votes for a governing body of a district or municipality within the precinct is equal to the number computed by dividing the total number of units of water, as determined by the board, used within the precinct by the district or municipality during the calendar year preceding the year in which the director is selected by the total number of units of water used within the precinct by all districts and municipalities in the precinct, multiplying that quotient by 100, and rounding that result to the nearest one-tenth. The board shall provide the presiding officer of each governing body of a district or municipality within each director precinct written notice of the number of votes computed for that governing body to cast.

(d) For purposes of Subsection (c), the board shall determine the amount of water usage of all districts and municipalities within each director precinct.

(e) In the appropriate even-numbered year, the governing body of each district or municipality in a director precinct by resolution may nominate one candidate for the position of director for that director precinct. Each district or municipality shall submit the name of its candidate, if any, to the presiding officer of the authority by February 15 of that year. If by February 15 of that year only one candidate's name is submitted for the position of director for a director precinct, the board may declare the unopposed candidate elected and may cancel the director appointment procedures generally required by this section for that position. If more than one candidate's name is submitted for the position of director for a director precinct, before March 15 of that year the board shall prepare, for the director precinct or precincts from which a director is being appointed, a ballot listing all of the candidates for that director precinct and shall provide a copy of the appropriate ballot to the presiding officer of the governing body of each district or
municipality located within the director precinct from which a
director is being appointed.

(f) An individual may not be listed as a candidate on the
ballot for more than one director position. If a candidate is
nominated for more than one director position, the candidate must
choose to be on the ballot for only one director position.

(g) The governing body of each district or municipality shall
determine its votes for director by resolution and submit them to the
presiding officer of the authority before May 1 of the appropriate
even-numbered year. In casting its votes for director, the governing
body of each district or municipality may vote for only one candidate
on the ballot for the director precinct in which the district or
municipality is located. For each director precinct from which a
director is being appointed, the board shall count the votes, declare
elected the candidate who received the greatest number of votes from
districts and municipalities located within that director precinct,
and submit the results before May 15 of that year to the governing
body of each district or municipality within that director precinct.

(h) The board may adopt rules regarding:
   (1) the manner and timing of determinations and
calculations required by this section;
   (2) the reporting of water usage to the authority by
districts and municipalities; and
   (3) the conduct and process of the appointment of
directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff.
June 14, 2013.

Sec. 8878.057. APPOINTMENT OF DIRECTORS IN SPARSELY POPULATED
PRECINCTS. (a) For each precinct with a population of less than
25,000, the Commissioners Court of Fort Bend County shall appoint the
director for that precinct. When the population within a precinct
reaches 25,000, as determined by federal census information or as
otherwise determined by the county, that precinct is eligible to
nominate and appoint a director in accordance with Section 8878.056,
who shall serve upon the expiration of the appointed director's term.

(b) To be eligible for appointment under this section, a person
must be a resident of the county. Sections 8878.052(2) and (3) do
not apply to the eligibility of a person for appointment under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.058. VACANCY IN OFFICE OF DIRECTOR. (a) A vacancy in the office of director shall be filled by appointment by the governing bodies of the districts and municipalities that are located within the director precinct for which the vacancy occurred. The appointment process shall follow the procedures of Section 8878.056. The board may establish dates different from those specified by Sections 8878.056(e) and (g), but the date for the board's submission of the voting results to each district and municipality may not be later than the 120th day after the date the vacancy occurs.

(b) A vacancy in the office of director appointed by the county under Section 8878.057 shall be filled by appointment by the Commissioners Court of Fort Bend County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.059. MEETINGS AND ACTIONS OF BOARD. (a) The board may meet as many times each year as the board considers appropriate.

(b) Directors of the authority are public officials and are entitled to governmental immunity for their actions in their capacity as directors and officers of the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.060. GENERAL MANAGER. (a) The board may employ a general manager of the authority or contract with a person to perform the duties of a general manager. The board may delegate to the general manager full authority to manage and operate the affairs of the authority subject only to orders of the board.

(b) The board may delegate to the general manager the authority to employ all persons necessary for the proper handling of the
business and operation of the authority and to determine the compensation to be paid to all employees, other than the general manager.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.061. COMPENSATION; EXPENSES. A director who is also an official of another public entity serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the authority's records; and
(2) approved by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8878.101. GENERAL POWERS AND DUTIES. (a) The authority may:

(1) provide for the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and for the reduction of groundwater withdrawals as necessary to develop, implement, or enforce a groundwater reduction plan, in a manner consistent with the purposes of Section 59, Article XVI, Texas Constitution, and facilitate compliance with Fort Bend Subsidence District or applicable subsidence district rules, orders, regulations, or requirements;

(2) acquire or develop surface water and groundwater supplies from sources inside or outside the boundaries of the authority, conserve, store, transport, treat, purify, distribute, sell, and deliver water to or among persons inside and outside the boundaries of the authority, and allocate water among persons participating in the authority's groundwater reduction plan whether they are located inside or outside the authority's boundaries;

(3) enter into contracts with persons inside or outside the authority on terms and conditions the board considers desirable, fair, and advantageous for the performance of its rights, powers, and authority under this chapter;
(4) coordinate water services provided inside, outside, or into the authority;
(5) provide wholesale and retail water services to any users or customers within the authority's boundaries without being required to execute contracts with those users or customers;
(6) adopt policies establishing whether, when, and the manner in which the authority uses requests for proposals in obtaining services, including professional services;
(7) determine whether to adopt administrative policies in addition to those required by Section 49.199, Water Code; and
(8) administer and enforce this chapter.

(b) Sections 49.451-49.455, Water Code, do not apply to the authority.

(c) Notwithstanding Subsection (a)(5), the authority may not provide retail water service to a retail user within the authority's boundaries that is located within the boundaries of a district or municipality on the date the authority awards a contract for the construction or executes a contract for the acquisition of water facilities to serve that retail user, unless:
   (1) the district or municipality consents in writing to the authority's provision of retail water service; or
   (2) the retail user owns or operates a well.

(d) If a retail user that does not own or operate a well is added to the boundaries of a district or municipality after the date the authority awards a contract for the construction or executes a contract for the acquisition of water facilities to serve that retail user, the authority may provide retail service to that retail user without the written consent of the district or municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.102. AUTHORITY RULES. The authority may adopt and enforce rules reasonably required to implement this chapter, including rules governing procedures before the board and rules regarding implementation, enforcement, and any other matters related to the authority's water supply or groundwater reduction plan.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.
Sec. 8878.103. FEES, USER FEES, RATES, AND CHARGES. (a) The authority may establish fees, user fees, rates, and charges and classifications of payers of fees and rates as necessary to enable the authority to fulfill the authority's purposes and regulatory functions provided by this chapter. The authority may impose fees, user fees, rates, and charges on any person within the authority.

(b) The authority may charge the owner of a well located within the authority's boundaries a fee or user fee according to the amount of water pumped from the well. If ownership of a well changes, both the prior and subsequent well owners are liable to the authority, jointly and severally, for all fees and user fees imposed by the authority under this subsection, and any related penalties and interest, for water pumped from that well before the change in well ownership. Notwithstanding Subsection (d), the authority may impose a charge under this subsection on a well or class of wells located in Fort Bend County that, on or after February 1, 2013:

(1) ceases to be subject to a groundwater reduction requirement imposed by the Fort Bend Subsidence District or applicable subsidence district; or

(2) is no longer subject to the regulatory provisions, permitting requirements, or jurisdiction of the Fort Bend Subsidence District or applicable subsidence district.

(c) The board shall make reasonable efforts to send districts and municipalities written notice of the date, time, and location of the meeting at which the board intends to adopt a proposed charge under Subsection (b) and the amount of the proposed charge. The board's failure to comply with this subsection does not invalidate a charge adopted by the board under Subsection (b).

(d) For wells located in Fort Bend County, the board shall exempt from the charge under Subsection (b) classes of wells that are not subject to any groundwater reduction requirement imposed by the Fort Bend Subsidence District or applicable subsidence district. If any of those classes of wells become subject to a groundwater reduction requirement imposed by the applicable subsidence district, the authority may impose the charge under Subsection (b) on those classes. The board by rule may exempt any other classes of wells from the charge under Subsection (b). The board may not apply the charge under Subsection (b) to a well:
(1) with a casing diameter of less than five inches that serves only a single-family dwelling; or
(2) regulated under Chapter 27, Water Code.

(e) For purposes of Subsection (d), a well is subject to a groundwater reduction requirement if the applicable subsidence district has adopted or adopts a requirement or rule that groundwater withdrawals from the well, or from the well and other wells collectively, be reduced, including a groundwater reduction that is not required until a future date.

(f) The authority may establish fees, user fees, rates, and charges that are sufficient to:
(1) achieve water conservation;
(2) prevent waste of water;
(3) serve as a disincentive to pumping groundwater;
(4) develop, implement, or enforce a groundwater reduction plan;
(5) accomplish the purposes of this chapter, including making available alternative water supplies;
(6) enable the authority to meet operation and maintenance expenses;
(7) pay the principal of and interest on notes, bonds, and other obligations issued in connection with the exercise of the authority's general powers and duties; and
(8) satisfy all rate covenants relating to the issuance of notes, bonds, and other obligations.

(g) The authority may charge rates established by the authority for water purchased from the authority.

(h) The authority may impose fees, user fees, or charges for the importation of water into the authority's boundaries from a source located outside the authority's boundaries.

(i) The authority may impose a reasonable export fee or surcharge for groundwater transferred out of the authority, in an amount not to exceed 150 percent of the surface water fee charged by the North Fort Bend Water Authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.
the authority purchases water from another entity for resale to local governments, the authority shall use its best efforts in negotiating with the entity to determine the amount of capital costs included in any rates or charges paid by the authority. The authority shall determine the amount of expected capital costs of its own system.

(b) The authority shall provide each district or municipality within its boundaries information regarding the share of the capital costs to be paid by the district or municipality, as determined by the authority, and shall provide each district or municipality the opportunity, in a manner and by a procedure determined by the authority, to fund its share of the capital costs with proceeds from the sale of bonds or fees and charges collected by the districts or municipalities. A district or municipality may use any lawful source of revenue, including bond funds, to pay any sums due to the authority.

(c) The authority may adopt a procedure by which a district or municipality may receive a credit from the authority. The board may adopt any other procedure necessary to accomplish the goals of this section.

(d) In complying with this section, the authority may use any reasonable basis to calculate from time to time the share of the capital costs of a district or municipality. The authority may calculate the shares of the capital costs based on the amount of water used within the authority by the district or municipality during the calendar year preceding the year in which the calculation is made.

(e) This section or any failure to comply with this section does not limit or impede the authority's ability to issue bonds or notes or invalidate any fees, user fees, charges, or rates imposed by the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.105. INTEREST AND PENALTIES. The board may require the payment of interest on any late or unpaid fees, user fees, rates, or charges due the authority, but the interest rate may not exceed the interest rate permitted by Section 2251.025, Government Code. The board may also impose penalties for the failure to make a
complete or timely payment to the authority. In addition, the board
may exclude a person, or any territory or well owned or controlled by
a person, from the authority's groundwater reduction plan for failure
to make a complete or timely payment to the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff.
June 14, 2013.

Sec. 8878.106. ATTORNEY'S FEES AND COLLECTION EXPENSES. (a) The authority is entitled to reasonable attorney's fees incurred by
the authority in enforcing its rules.

(b) The authority is entitled to collection expenses and
reasonable attorney's fees incurred by the authority in collecting
any delinquent fees, user fees, rates, and charges and any related
penalties and interest.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff.
June 14, 2013.

Sec. 8878.107. LIEN. (a) Fees and user fees imposed by the
authority under Section 8878.103(b), any related penalties and
interest, and collection expenses and reasonable attorney's fees
incurred by the authority:

(1) are a first and prior lien against the well to which
the fees or user fees apply;

(2) are superior to any other lien or claim other than a
lien or claim for county, school district, or municipal ad valorem
taxes; and

(3) are the personal liability of and a charge against the
owner of the well.

(b) A lien under this section is effective from the date of the
resolution or order of the board imposing the fee or user fee until
the fee or user fee is paid.

(c) The board may enforce the lien in the same manner that a
municipal utility district operating under Chapter 54, Water Code,
may enforce an ad valorem tax lien against real property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff.
June 14, 2013.
Sec. 8878.108. ADMINISTRATIVE PENALTY; INJUNCTION. (a) A person who violates a rule or order of the authority is subject to an administrative penalty of not more than $5,000, as determined by the board, for each violation or each day of a continuing violation. The person shall pay the penalty to the authority.

(b) The authority may bring an action to recover the penalty in a district court in the county where the violation occurred.

(c) The authority may bring an action for injunctive relief in a district court in the county where a violation of an authority rule or order occurs or is threatened to occur. The court may grant to the authority, without bond or other undertaking, a prohibitory or mandatory injunction that the facts warrant, including a temporary restraining order, temporary injunction, or permanent injunction.

(d) The authority may bring an action for an administrative penalty and injunctive relief in the same proceeding.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.109. WATER SUPPLY OR DROUGHT CONTINGENCY PLANS. The authority by rule may develop, prepare, revise, adopt, implement, enforce, and manage comprehensive water supply or drought contingency plans for the authority, or any portion of the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.110. GROUNDWATER REDUCTION PLAN. (a) The authority may wholly or partly develop, prepare, revise, adopt, implement, enforce, manage, or participate in a groundwater reduction plan that is applicable only to the authority and one or more persons outside the authority. The authority may require that any groundwater reduction plan that the authority wholly or partly develops, prepares, revises, adopts, implements, enforces, or manages or in which the authority participates be the exclusive groundwater reduction plan that is binding and mandatory on some or all of the territory, persons, or wells located within the authority. A
groundwater reduction plan may:

(1) specify the measures to be taken to reduce groundwater withdrawals;
(2) identify alternative sources of water, including water from the authority, to be provided to those affected;
(3) identify the rates, terms, and conditions under which alternative sources of water will be provided, which may be changed from time to time as considered necessary by the authority;
(4) specify the dates and extent to which persons or districts within the authority's boundaries shall reduce or cease reliance on groundwater and accept water from alternative sources, including water from the authority;
(5) include other terms and measures that are consistent with the powers and duties of the authority;
(6) exceed the minimum requirements imposed by the Fort Bend Subsidence District or applicable subsidence district, including any applicable groundwater reduction requirements; and
(7) be amended from time to time at the discretion of the authority.

(b) Fees, user fees, rates, and charges of the authority may be imposed under this chapter for a person's participation in and benefit derived from the authority's groundwater reduction plan, a groundwater reduction plan in which the authority participates, or the authority's works, projects, improvements, and services to be provided by the authority under powers conferred by Section 59, Article XVI, Texas Constitution, and this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.111. ACQUISITION, CONSTRUCTION, AND OPERATION OF SYSTEMS. (a) The authority may:

(1) acquire by purchase, gift, lease, contract, or any other legal means a water treatment or supply system, or any other works, plants, improvements, or facilities necessary or convenient to accomplish the purposes of the authority, or any interest of the authority, inside or outside the authority's boundaries;
(2) design, finance, operate, maintain, or construct a water treatment or supply system or any other works, plants,
improvements, or facilities necessary or convenient to accomplish the purposes of the authority and provide water services inside or outside the authority's boundaries;

(3) lease or sell a water treatment or supply system or any other works, plants, improvements, or facilities necessary or convenient to accomplish the purposes of the authority that the authority constructs or acquires inside or outside the authority's boundaries;

(4) contract with any person to operate or maintain a water treatment or supply system the person owns; or

(5) acquire water rights under any law or permit.

(b) The authority may contract, according to terms and conditions the board considers desirable, fair, and advantageous, with a person outside the authority's boundaries:

(1) to allow the person, or the person's well, to be included in a groundwater reduction plan adopted or implemented wholly or partly by the authority or in a groundwater reduction plan in which the authority participates;

(2) to sell water to the person; or

(3) to sell the person available excess capacity or additional capacity of the authority's water treatment or supply system.

(c) The authority by rule may require that the plans and specifications of water lines to be constructed within the authority that are designed or intended to serve more than one district or more than one person owning or holding a well permit issued by the Fort Bend Subsidence District or applicable subsidence district be approved by the authority before the commencement of construction of the water lines.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.112. SALE OR REUSE OF WATER OR BY-PRODUCT. The authority may store, sell, or reuse:

(1) water; or

(2) any by-product from the authority's operations.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.
Sec. 8878.113. CONTRACTS. (a) The authority may enter into a contract with a person for the performance of a purpose or function of the authority, including a contract to design, construct, finance, lease, own, manage, operate, or maintain works, improvements, facilities, plants, equipment, or appliances necessary to accomplish a purpose or function of the authority. A contract may be of unlimited duration.

(b) The authority may purchase, acquire, finance, or lease an interest in a project used for a purpose or function of the authority.

(c) The authority may contract for:

(1) the purchase, sale, or lease of water or water rights;

(2) the performance of activities within the powers of the authority through the purchase, construction, or installation of works, improvements, facilities, plants, equipment, or appliances; or

(3) the design, construction, ownership, management, maintenance, or operation of any works, improvements, facilities, plants, equipment, or appliances of the authority or another person.

(d) The authority may purchase surplus property from this state, the United States, or another public entity through a negotiated contract without bids.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.114. COOPERATION WITH AND ASSISTANCE OF OTHER GOVERNMENTAL ENTITIES. (a) In implementing this chapter, the board may cooperate with and request the assistance of the Texas Water Development Board, the commission, the United States Geological Survey, the Fort Bend Subsidence District or applicable subsidence district, other local governments, and other agencies of the United States and this state.

(b) The Fort Bend Subsidence District or applicable subsidence district may enter into an interlocal contract with the authority to carry out the authority's purposes and may carry out the governmental functions and services specified in the interlocal contract.

(c) For the purpose of reducing costs associated with preparing
a groundwater reduction plan, the board may consider the usefulness of a water supply study or plan prepared by or on behalf of the North Fort Bend Water Authority, the Central Harris County Regional Water Authority, the North Harris County Regional Water Authority, the West Harris County Regional Water Authority, the City of Houston, the City of Sugar Land, the City of Missouri City, Fort Bend County Water Control and Improvement District No. 2, the City of Richmond, the City of Rosenberg, Pecan Grove Municipal Utility District, or another governmental entity to the extent the study or plan is available and applicable to the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.115. GIFTS AND GRANTS. The authority may accept a gift or grant from money collected by the Fort Bend Subsidence District or applicable subsidence district to fund the construction, maintenance, or operation of a water treatment or supply system.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.116. EXPENDITURES. (a) The authority's money may be disbursed only by check, draft, order, federal reserve wire system, or other instrument or authorization.

(b) Disbursements of the authority must be signed by at least a majority of the directors. The board by resolution may allow the general manager, treasurer, bookkeeper, or other employee of the authority to sign disbursements, except as limited by Subsection (c).

(c) The board by resolution may allow disbursements to be transferred by federal reserve wire system to accounts in the name of the authority without the necessity of any directors signing the disbursement. Disbursements of the authority's money by federal reserve wire system to any accounts not in the name of the authority must be signed by at least a majority of the directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.
Sec. 8878.117. AD VALOREM TAXATION. The authority may not impose an ad valorem tax.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.118. EMINENT DOMAIN. (a) The authority may acquire by condemnation any land, easements, or other property inside the authority's boundaries to further authorized purposes, powers, or duties of the authority. The authority may acquire by condemnation any land, easements, or other property outside the authority's boundaries for the purposes of pumping, storing, treating, or transporting water. When exercising the power of eminent domain granted by this section, the authority may elect to condemn either the fee simple title or a lesser property interest.

(b) The authority may exercise the power of eminent domain in the manner provided by Chapter 21, Property Code. The authority is not required to give bond for appeal or bond for costs in a condemnation suit or other suit to which it is a party. The authority is not required to deposit more than the amount of an award in a suit.

(c) The authority may not use the power of eminent domain for the condemnation of land for the purpose of acquiring rights to groundwater or for the purpose of acquiring water or water rights.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

Sec. 8878.119. ACTION AGAINST PERSON, DISTRICT, OR POLITICAL SUBDIVISION. (a) The authority may bring an action in a district court against a person, including a district or other political subdivision located in the authority's territory or included in the authority's groundwater reduction plan, to:

(1) recover any fees, rates, charges, collection expenses, attorney's fees, interest, penalties, or administrative penalties due the authority; or

(2) enforce the authority's rules or orders.

(b) Governmental immunity from suit or liability of a district or other political subdivision is waived for the purposes of an
action under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

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SUBCHAPTER D. BONDS AND NOTES

Sec. 8878.151. REVENUE BONDS AND NOTES. (a) The authority may issue bonds or notes payable solely from revenue from any source, including:

1. tolls, charges, rates, fees, and user fees the authority imposes or collects;
2. the sale of water, water services, water rights or capacity, water transmission rights or services, water pumping, or any other service or product of the authority provided inside or outside the boundaries of the authority;
3. grants or gifts;
4. the ownership or operation of all or a designated part of the authority's works, improvements, facilities, plants, or equipment; and
5. contracts between the authority and any person.

(b) Notes issued by the authority may be first or subordinate lien notes at the board's discretion.

(c) In connection with any bonds or notes of the authority, the authority may exercise any power of an issuer under Chapter 1371, Government Code.

(d) The authority may conduct a public, private, or negotiated sale of the bonds or notes.

(e) The authority may enter into one or more indentures of trust to further secure its bonds or notes.

(f) The authority may issue bonds or notes in more than one series as necessary to carry out the purposes of this chapter. In issuing bonds or notes secured by revenue of the authority, the authority may reserve the right to issue additional bonds or notes secured by the authority's revenue that are on a parity with or are senior or subordinate to the bonds or notes issued earlier.

(g) A resolution of the board authorizing the bonds or notes or a trust indenture securing the bonds or notes may specify additional provisions that constitute a contract between the authority and its bondholders or noteholders.
(h) Bonds and notes may be additionally secured by deed of trust or mortgage on any or all of the authority's facilities.

(i) The authority may issue refunding bonds or notes to refund any of its bonds or notes in any manner provided by law.

(j) Sections 49.153, 49.154, and 49.181, Water Code, do not apply to bonds or notes issued by the authority. Commission rules regarding bonds or notes do not apply to bonds or notes issued by the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 829 (S.B. 1870), Sec. 1, eff. June 14, 2013.

CHAPTER 8879. CROCKETT COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8879.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Crockett County Groundwater Conservation District.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8879.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Crockett County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8879.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
Sec. 8879.004. DISTRICT TERRITORY. (a) The district is composed of the territory in Crockett County other than the tract of land described by metes and bounds in Section 3, Chapter 712, Acts of the 71st Legislature, Regular Session, 1989, as that territory may have been modified under:

(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to impose taxes; or
(3) the legality or operation of the district or its governing body.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8879.005. LOCATION OF DISTRICT ELECTIONS. A district election may be held at any location in Crockett County.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8879.006. CONFLICTS OF LAW. This chapter prevails over any provision of general law that is in conflict or inconsistent with this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8879.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five elected directors.
(b) Directors serve staggered four-year terms, with the terms of two or three directors expiring December 1 of each even-numbered year.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8879.052. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date in November of each even-numbered year.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8879.053. DISQUALIFICATION OF DIRECTORS. Notwithstanding Sections 49.001 and 49.002(b), Water Code, Section 49.052, Water Code, applies to a director.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 8879.101. GENERAL POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36 and Subchapters H and I, Chapter 49, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 8879.151. LIMITATION ON AD VALOREM TAX RATE. Except as provided by Section 8879.152, the rate of an ad valorem tax imposed by the district under Chapter 36, Water Code, may not exceed five cents on each $100 of assessed valuation.
Sec. 8879.152. ELECTION TO INCREASE AD VALOREM TAX RATE. (a) If at a regular meeting of the board, the board determines that the district ad valorem tax is no longer sufficient, the board may hold an election to approve an increase in the district's tax rate not to exceed an additional five cents on each $100 of assessed valuation above the rate specified by Section 8879.151.  
(b) If a majority of the voters favor the increase in the district's tax rate, the district may impose an ad valorem tax at the increased rate.

Sec. 8880.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Gonzales County Underground Water Conservation District.

Sec. 8880.051. SINGLE-MEMBER DIRECTOR PRECINCTS. (a) The board may divide the district into five single-member director precincts of substantially equal population for the purpose of electing directors.  
(b) Notwithstanding Section 36.059(b), Water Code, the board may divide territory contained in a municipal corporation in the district into as many precincts as necessary to obtain precincts of substantially equal population.
Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

CHAPTER 8881. MESA UNDERGROUND WATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8881.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Mesa Underground Water Conservation District.

Sec. 8881.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Dawson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8881.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Sec. 8881.004. DISTRICT TERRITORY. The district includes the territory located in Dawson County, unless the district's territory has been modified under:
(1) Section 8881.103 of this chapter or its predecessor statute, former Section 11(c), Chapter 669, Acts of the 71st
Sec. 8881.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Directors serve staggered four-year terms.

Sec. 8881.052. ELECTION OF DIRECTORS. One director is elected from each county commissioners precinct in Dawson County and one director is elected from the district at large.

Sec. 8881.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date in May of each even-numbered year or another date authorized by law.

Sec. 8881.054. QUALIFICATIONS FOR OFFICE. (a) A director must be 18 years of age or older.
   (b) To represent a county commissioners precinct, the director must be a resident of that precinct.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8881.101. GENERAL POWERS AND DUTIES. The district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8881.102. CONTRACT AUTHORITY OF DISTRICT. (a) The district may contract for, sell, and distribute water from a water import authority or other agency.

(b) The district may contract with other districts that have powers similar to those of the district to achieve common goals.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8881.103. ANNEXATION OF TERRITORY. (a) Territory may be added to the district under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) Subchapter O, Chapter 51, Water Code.

(b) If the district annexes territory, the board shall determine the precincts to which annexed territory is added for the purpose of electing directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

CHAPTER 8882. SANDY LAND UNDERGROUND WATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8882.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Sandy Land Underground Water Conservation District.
Sec. 8882.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Yoakum County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8882.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Sec. 8882.004. DISTRICT TERRITORY. The district includes the territory located in Yoakum County unless the district's territory has been modified under:

(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8882.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.
Sec. 8882.052. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date in May of every other year or another date authorized by law.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8882.101. GENERAL POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapters 36 and 50, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

CHAPTER 8883. SANTA RITA UNDERGROUND WATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8883.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Santa Rita Underground Water Conservation District.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8883.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Reagan County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.
Sec. 8883.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8883.004. DISTRICT TERRITORY. (a) Except as provided by Subsection (b), the district includes the territory in Reagan County unless the district's territory has been modified under:

(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

(b) The district does not include any territory that was annexed into the Glasscock County Underground Water Conservation District under the then applicable annexation provisions of Chapter 51, Water Code, before June 14, 1989.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8883.005. OWNERSHIP OF GROUNDWATER AND SURFACE WATER RIGHTS. The ownership and rights of the owner of land, the owner's lessees, and assigns in groundwater and any surface water rights are recognized, and this chapter does not deprive or divest the owner, the owner's lessees, or assigns of those ownership rights.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8883.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.
Sec. 8883.052. ELIGIBILITY AND ELECTION OF DIRECTORS. (a) A director must be:

(1) 18 years of age or older; and
(2) a resident of the district.

(b) One director is elected from each county commissioner precinct. One director is elected at large.

(c) Section 141.001(a)(5), Election Code, and Section 36.059(b), Water Code, do not apply to the district.

Sec. 8883.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date in May of each odd-numbered year or another date authorized by law.

Sec. 8883.054. COMPENSATION; EXPENSES. (a) Unless the board by resolution increases the fees of office to an amount authorized by Section 36.060(a), Water Code, each director is entitled to receive for the director's services $25 a month in compensation.

(b) Each director may be reimbursed for actual expenses incurred in the performance of official duties.

(c) The expenses described by Subsection (b) must be:

(1) reported in the district's records; and
(2) approved by the board.
Sec. 8883.101. GENERAL POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8883.102. PAYMENT OF CERTAIN EXPENSES. (a) The board may pay:

(1) all costs and expenses necessarily incurred in the creation and organization of the district;
(2) legal fees; and
(3) other incidental expenses.

(b) The board may reimburse a person for money advanced for a purpose described by Subsection (a).

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8883.103. APPEARANCE BEFORE RAILROAD COMMISSION. The district, through the directors or the district's general manager, may appear before the Railroad Commission of Texas and present evidence and information relating to a pending permit application for an injection well to be located in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8883.104. PROHIBITION: SUPPLY OF WATER. The district may not contract to or take an action to supply groundwater inside or outside the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.
CHAPTER 8884. SARATOGA UNDERGROUND WATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8884.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Saratoga Underground Water Conservation District.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8884.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Lampasas County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8884.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8884.004. DISTRICT TERRITORY. The district includes the territory located in Lampasas County, unless the district's territory has been modified under:

(1) Subchapter J or K, Chapter 36, Water Code; or

(2) other law.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.
Sec. 8884.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five elected directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8884.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method as provided by this section.
(b) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.
(c) A person shall indicate on the application for a place on the ballot:
   (1) the precinct that the person seeks to represent; or
   (2) that the person seeks to represent the district at large.
(d) When the boundaries of the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, a director in office on the effective date of the change, or elected or appointed before the effective date of the change to a term of office beginning on or after the effective date of the change, shall serve the term or the remainder of the term representing the precinct from which the person was elected or appointed even though the change in boundaries places the person's residence outside that precinct.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8884.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date in November of each even-numbered year.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.
Sec. 8884.054. QUALIFICATIONS FOR OFFICE. (a) Except as provided by Section 8884.052(d), to be eligible to be a candidate for or to serve as director at large, a person must be a registered voter of the district.

(b) To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8884.101. GENERAL POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapters 36 and 50, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

CHAPTER 8885. SOUTH PLAINS UNDERGROUND WATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8885.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the South Plains Underground Water Conservation District.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8885.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Terry County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04,
Sec. 8885.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8885.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Terry County, unless the district's territory has been modified under:

(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8885.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8885.052. ELECTION OF DIRECTORS. (a) Directors are elected according to the commissioners precinct method as provided by this section.

(b) One director is elected by the voters of the entire district. One director is elected from each county commissioners precinct by the voters of that precinct.

(c) A person shall indicate on the application for a place on the ballot:
(1) the precinct that the person seeks to represent; or
(2) that the person seeks to represent the district at large.

(d) At the first election after the county commissioners precincts are redrawn under Section 18, Article V, Texas Constitution, four new directors shall be elected to represent the precincts. The directors shall draw lots to determine their terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8885.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date in May of each even-numbered year or another date authorized by law.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8885.054. QUALIFICATIONS FOR OFFICE. To be eligible to serve as director, a person must be a registered voter in:

(1) the precinct from which the person is elected or appointed if representing a precinct; or
(2) the district if representing the district at large.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8885.055. BOARD VACANCY. (a) The board shall appoint a replacement to fill a vacancy in the office of any director.

(b) The appointed replacement serves until the next directors' election.

(c) If the position is not scheduled to be filled at the election, the person elected to fill the position serves only for the remainder of the unexpired term.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 8885.101. GENERAL POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

CHAPTER 8886. SUTTON COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8886.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Sutton County Underground Water Conservation District.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution, to provide for the conservation, preservation, protection, recharge, and prevention of waste of the groundwater reservoirs located under district land, consistent with the objectives of Section 59, Article XVI, Texas Constitution, and Chapters 36 and 51, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.003. FINDINGS OF PUBLIC USE AND BENEFIT. The legislature finds that:

(1) the organization of the district is feasible and practicable;
(2) the land to be included in and the residents of the
district will benefit from the creation of the district;

(3) there is a public necessity for the district; and

(4) the creation of the district will further the public welfare.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.004. CONFLICTS OF LAW. (a) Except as otherwise provided by this chapter, if there is a conflict between this chapter and Chapter 49, 51, or 36, Water Code, this chapter controls.

(b) If there is a conflict between Chapter 49 or 51, Water Code, and Chapter 36, Water Code, Chapter 36 controls.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER B. TERRITORY

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4705, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 8886.051. DISTRICT TERRITORY. The district is composed of the territory in Sutton County, other than the territory in Sections 60, 67, and 90, Block No. A, HE&WTrYCoSurvey, Sutton County, unless the district's territory has been modified under:

(1) Section 8886.052 or 8886.053 of this chapter or their predecessor statutes, former Section 11 or 14, Chapter 377, Acts of the 69th Legislature, Regular Session, 1985; or

(2) other law.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.052. LAND EXCLUSION. Land may be excluded from the district in accordance with the procedures prescribed in Sections 49.303-49.308, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04,
Sec. 8886.053. ANNEXATION OF TERRITORY. (a) Territory may be added to the district as provided by:

(1) Subchapter J, Chapter 49, Water Code; or
(2) Subchapter O, Chapter 51, Water Code.

(b) If the district annexes territory, the board shall determine the precincts to which annexed territory is added for the purpose of electing directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8886.101. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors.

(b) The directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.102. ELECTION OF DIRECTORS. One director is elected from each county commissioners precinct in Sutton County. One director is elected at large.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.103. ELECTION DATE. The district shall hold an election to elect directors on the uniform election date in May of each odd-numbered year or another date authorized by law.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.104. QUALIFICATIONS FOR OFFICE. (a) To be qualified
for election as a director, a person must be:

(1) a resident of the district; and
(2) at least 18 years of age.

(b) To be qualified for election as a director from a precinct, a person must be a resident of the precinct from which the person is elected.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

**SUBCHAPTER D. POWERS AND DUTIES**

Sec. 8886.151. GENERAL POWERS AND DUTIES. Except as otherwise provided by this chapter, the district may exercise:

(1) the powers essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and
(2) the rights, powers, and functions provided by this chapter and Chapters 36 and 51, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.152. ADMINISTRATIVE PROCEDURES. Except as otherwise provided by this chapter, the administrative and procedural provisions of Chapters 36 and 51, Water Code, apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.153. WELL PERMITS. (a) The board may:

(1) require a permit for drilling, equipping, or completing a well in a groundwater reservoir in the district; and
(2) issue a permit that imposes terms relating to drilling, equipping, or completing a well that are necessary to prevent waste or conserve, preserve, and protect groundwater.

(b) The board may not deny an owner of land, or the owner's heirs, assigns, and lessees, a permit to drill a well on that land or the right to produce groundwater from that well, subject to rules adopted under this chapter.
Sec. 8886.154. WELL SPACING AND PRODUCTION. To minimize as far as practicable the drawdown of the water table or the reduction of the artesian pressure, the board may provide for spacing wells that are producing water from a groundwater reservoir in the district and may regulate the production from those wells.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.155. LOGS. The board may require that:
(1) accurate driller's logs be kept of wells in any groundwater reservoir in the district; and
(2) a copy of driller's logs and of any electric logs that are made of the wells be filed with the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.156. AVAILABLE GROUNDWATER. The board shall determine the quantity of the groundwater available for production and use and the improvements, developments, and recharges that will be necessary for any groundwater reservoirs in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.157. SURVEYS. The board may have a licensed engineer survey the groundwater of any groundwater reservoir in the district and the facilities for the development, production, and use of groundwater from any reservoir in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.
Sec. 8886.158. RESEARCH AND DETERMINATIONS REGARDING GROUNDWATER WITHDRAWAL. The district may carry out research projects, develop information, and determine limitations, if any, that should be placed on the withdrawal of groundwater.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.159. COLLECTION AND PRESERVATION OF INFORMATION. The district may collect and preserve information regarding the use of the groundwater and the practicability of recharge of a groundwater reservoir in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.160. CONTRACT FOR SALE AND DISTRIBUTION OF WATER. The district may contract for, sell, and distribute water from a water import authority or other agency.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.161. ACQUISITION OF LAND. The board may acquire land to:

(1) erect a dam;
(2) drain a lake, draw, depression, or creek; and
(3) install pumps and other equipment necessary to recharge a groundwater reservoir in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8886.162. ELECTIONS. The district shall conduct elections in the manner provided by Chapter 51, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04,
SPECIAL DISTRICT LOCAL LAWS CODE

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
Sec. 8886.201. TAX AND BOND PROVISIONS. (a) Except as otherwise provided by this chapter, the tax and bond provisions of Chapters 36 and 51, Water Code, apply to the district.
(b) On approval of the majority of the voters in an election called for that purpose, the district may impose an ad valorem tax to pay the principal of and interest on bonds and to maintain the district. The tax approved under this subsection may not exceed five cents on each $100 of assessed valuation.
(c) At a regular meeting of the board, if the board determines that the tax imposed under Subsection (b) is no longer sufficient for the purposes stated in that subsection, the board may call an election to be held to approve the imposition of an ad valorem tax in excess of the limitation provided by Subsection (b). If a majority of the voters approve the imposition of taxes in excess of the limitation provided by Subsection (b), the district may impose taxes in the amount approved by the voters at the election called and held under this subsection.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER F. DISSOLUTION OF DISTRICT
Sec. 8886.251. DISSOLUTION OF DISTRICT. The district may be dissolved as provided by Chapter 36, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

CHAPTER 8887. NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8887.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the North Plains Groundwater Conservation District.
Sec. 8887.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8887.003. FINDING OF BENEFIT. (a) All land and other property in the district benefit from the:
(1) creation of the district;
(2) carrying out of the purposes for which the district was created; and
(3) acquisition and construction of improvements to carry out those purposes.
(b) The district is necessary to carry out the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8887.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 498, Acts of the 54th Legislature, Regular Session, 1955, as that territory may have been modified under:
(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 8887.051. TERMS. Directors serve staggered four-year terms.
Sec. 8887.052. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on a uniform election date in each even-numbered year.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8887.101. GENERAL POWERS AND DUTIES. The district has all of the rights, powers, privileges, and duties provided by general law applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution, and Chapter 36, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8887.102. WELL PERMITS. (a) The district may:

(1) require a permit for drilling, equipping, or completing a well in a groundwater reservoir in the district; and

(2) issue a permit subject to terms relating to drilling, equipping, or completing a well that are necessary to prevent waste or contamination.

(b) The district may not deny an owner of land, or the owner's heirs, assigns, and lessees, a permit to drill a well on that land or to produce groundwater from that well subject to rules adopted to prevent waste or contamination.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8887.103. WELL SPACING AND PRODUCTION. To minimize as far as practicable the drawdown of the water table or the reduction of the artesian pressure, the district may provide for the spacing of
wells producing from a groundwater reservoir or a subdivision of a groundwater reservoir in the district and regulate the production from those wells.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8887.104. RECORDS AND REPORTS. The district may require that records be kept and reports be made of the drilling, equipping, and completion of a well in a groundwater reservoir or a subdivision of a groundwater reservoir in the district and the taking and use of groundwater from those reservoirs or subdivisions of those reservoirs.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8887.105. LOGS. The district may require that:
(1) accurate driller's logs be kept of the drilling, equipping, and completion of a well in a groundwater reservoir or a subdivision of a groundwater reservoir in the district; and
(2) a copy of a driller's log and of any electric log that is made of the well be filed with the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8887.106. SURVEYS. The district may have a licensed engineer or qualified groundwater scientist survey the groundwater of a groundwater reservoir or a subdivision of a groundwater reservoir in the district and the facilities for the development, production, and use of that groundwater to determine the:
(1) quantity of the groundwater available for production and use; and
(2) improvements, developments, and recharges needed for the groundwater reservoir or subdivision of a groundwater reservoir.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04,
Sec. 8887.107. RESEARCH AND DETERMINATIONS REGARDING GROUNDWATER WITHDRAWAL. The district may carry out research projects, develop information, and determine limitations, if any, that should be made on the withdrawal of water from a groundwater reservoir or a subdivision of a groundwater reservoir in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8887.108. COLLECTION AND PRESERVATION OF INFORMATION. The district may collect and preserve information regarding the use of groundwater and the practicability of recharge of a groundwater reservoir or a subdivision of a groundwater reservoir in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8887.109. RULES: PREVENTION OF WASTE. (a) In this section, "waste" has the meaning assigned by Section 36.001, Water Code.

(b) The district may adopt and enforce rules to prevent the waste of the groundwater of any groundwater reservoir or subdivision of a groundwater reservoir in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8887.151. LIMITATION ON MAINTENANCE AND OPERATION TAX. To pay the maintenance and operating expenses of the district, including the maintenance of its installations and activities, the district may impose ad valorem taxes annually at a rate not to exceed five cents on each $100 of assessed valuation on property in the district.
subject to taxation.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8887.152. MAINTENANCE AND OPERATION TAX ELECTION. The district may order an election to impose taxes for the maintenance of the district and its installations and activities. The election must be held as is provided for elections authorizing the issuance of bonds.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8887.153. DISTRICT DEBT. The district may incur all indebtedness necessary to the achievement of the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

CHAPTER 8888. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8888.001. DEFINITIONS. In this chapter:
(1) "Agricultural crop" means:
(A) a food or fiber commodity grown for resale or commercial purposes that provides food, clothing, or animal feed; or
(B) a nursery product or florist item that is in the possession of a nursery grower.
(2) "Authority" means the North Harris County Regional Water Authority.
(3) "Board" means the authority's board of directors.
(4) "Commission" means the Texas Commission on Environmental Quality.
(5) "Director" means a member of the board.
(6) "Florist item" means a cut flower, potted plant, blooming plant, inside foliage plant, bedding plant, corsage flower, cut foliage, floral decoration, or live decorative material.
(7) "Groundwater reduction plan" means a plan adopted or implemented to supply water, reduce reliance on groundwater, regulate groundwater pumping and water usage, or require and allocate water usage among persons in order to comply with or exceed the minimum requirements imposed by the subsidence district, including any applicable groundwater reduction requirements.

(8) "Local government" means a municipality, county, special district, or other political subdivision of this state or a combination of two or more of those entities.

(9) "Nursery grower" means a person who grows, in any medium, more than 50 percent of the nursery products or florist items that the person sells or leases, regardless of the variety sold, leased, or grown. For the purposes of this definition, "grow" means the actual cultivation or propagation of the nursery product or florist item beyond the mere holding or maintaining of the item before sale or lease and typically includes activities associated with the production or multiplying of stock such as the development of new plants from cuttings, grafts, plugs, or seedlings.

(10) "Nursery product" includes a tree, shrub, vine, cutting, graft, scion, grass, bulb, or bud that is grown for, kept for, or capable of propagation and distribution for sale or lease.

(11) "Subsidence" means the lowering in elevation of the surface of land by the withdrawal of groundwater.

(12) "Subsidence district" means the Harris-Galveston Subsidence District.

(13) "System" means a network of pipelines, conduits, canals, pumping stations, force mains, and treatment plants, and any other construction, device, or related appurtenance, used to treat or transport water.

(14) "Water" includes:

(A) groundwater, percolating or otherwise;

(B) any surface water, natural or artificial, navigable or nonnavigable, and

(C) industrial and municipal wastewater.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.002. NATURE OF AUTHORITY. The authority is a
regional water authority in Harris County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The authority is created to serve a public use and benefit.

(b) All land and other property included in the authority will benefit from the works and projects accomplished by the authority under the powers provided by this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.004. DISTRICTS IN AUTHORITY'S BOUNDARIES. A district in the authority's boundaries retains the district's separate identity, powers, and duties. The district is subject to the authority's powers and duties, including those powers and duties necessary to develop, implement, and enforce a groundwater reduction plan.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.005. APPLICABILITY OF OTHER LAW. (a) This chapter prevails over any inconsistent provision of general law.

(b) This chapter does not prevail over or preempt a provision of Chapter 8801 of this code or Chapter 36, Water Code, that is being implemented by the subsidence district.

(c) The following laws do not apply to the authority:

(1) Chapter 36, Water Code;
(2) Section 49.052, Water Code; and
(3) Sections 49.451-49.455, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.
SUBCHAPTER B. TERRITORY

Sec. 8888.051. AUTHORITY TERRITORY. The authority is composed of the territory described by Sections 1.03(a), (b), (b-1), (b-2), (c), and (e), Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, as that territory may have been modified under:

(1) this subchapter or the following predecessor statutes:
   (A) Sections 1.03(f) and (g), Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999; or
   (B) Section 1.045, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999; or
(2) Subchapter J, Chapter 49, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.052. LOCAL GOVERNMENT ANNEXATION. Territory annexed by a local government located in the authority becomes territory of the authority on the effective date of the annexation unless the annexed territory is included in another local government's approved groundwater reduction plan as of the effective date of the annexation. The authority by rule may require the local government to send the authority:

(1) written notice of the effective date of an annexation;
and

(2) copies of documents describing the annexed land and the new boundaries of the local government.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.053. ADDITION OF WATER SYSTEM SERVICE AREA. If territory is added to the service area of a person owning a water system located in the authority, the territory becomes territory of the authority on the effective date of the territory's addition to the service area unless the added territory is included in another local government's approved groundwater reduction plan as of the effective date of the addition. The authority by rule may require
the person to send the authority:

(1) written notice of the effective date of an addition of territory; and
(2) copies of documents describing the added territory and the new boundaries of the person's service area.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.054. INCLUSION OF CERTAIN TERRITORY. (a) The board of directors of a district organized under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, all or part of which is not included in the authority, by petition may request the district's territory to be included in the authority's territory. The petition must:

(1) be filed with the authority; and
(2) include an accurate legal description of the boundaries of the territory to be included.

(b) If the authority has bonds, notes, or other obligations outstanding, the board shall require the petitioning district to assume the district's share of the outstanding bonds, notes, or other obligations.

(c) Before the 61st day after the date the authority receives the petition, the board shall hold a hearing to consider the petition. The board may grant the petition and order the territory described in the petition to be included in the authority's territory if:

(1) it is feasible, practicable, and to the advantage of the authority; and
(2) the authority's system and other improvements of the authority are sufficient or will be sufficient to supply the added territory without injuring the territory already included in the authority.

(d) If the board grants the petition, the board shall file for recording in the office of the county clerk of Harris County:

(1) a copy of the order; and
(2) a description of the authority's boundaries as they exist after the inclusion of the territory.

(e) The order including the territory is effective immediately.
after the order and description are recorded.

(f) Except as provided by Subsection (g), a district that petitions to be included in the authority's territory is subject to the fees and reimbursements that are in effect at the time of the district's petition and are applicable to such a petitioner.

(g) The authority may not require a district that petitioned before January 1, 2002, to be included in the authority's territory to pay a fee to the authority for admission or reimbursement for activities the authority has undertaken since the authority's creation in the furtherance of the authority's duties and functions.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER C. AUTHORITY ADMINISTRATION

Sec. 8888.101. COMPOSITION OF BOARD. The authority is governed by a board of five elected directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.102. ELECTION OF DIRECTORS. (a) One director is elected from each of five single-member voting districts by the voters of the voting district.

(b) A person shall indicate on the application for a place on the ballot the voting district the person seeks to represent.

(c) In the manner described by Section 49.103(d), Water Code, the board shall redraw the single-member voting districts as soon as practicable after each federal decennial census and as otherwise required by law.

(d) At the first election after each time the voting districts are redrawn:

(1) five new directors shall be elected to represent the single-member voting districts; and

(2) the directors elected shall draw lots to determine the directors' terms so that:

(A) two directors serve two-year terms; and

(B) three directors serve four-year terms.

(e) Subchapter C, Chapter 146, Election Code, applies to the
Sec. 8888.103. ELECTION DATE. The authority shall hold an election to elect the appropriate number of directors to the board on a uniform election date in each even-numbered year.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.104. QUALIFICATION FOR OFFICE. To be eligible to serve as a director, a person must be a qualified voter in the voting district from which the person is elected or appointed.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.105. BOARD VACANCY. (a) The board shall appoint a person to fill a vacancy in the office of director.

(b) The appointed person serves until the next directors' election.

(c) If the position is not scheduled to be filled at the election, the person elected to fill the position serves only for the remainder of the unexpired term.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.106. MEETINGS. The board shall meet at least four times each year and may meet at any other time the board considers appropriate.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.
Sec. 8888.107. GENERAL MANAGER. (a) The board shall employ a
general manager to serve as the chief administrative officer of the
authority. The board may delegate to the general manager the full
authority to manage and operate the affairs of the authority subject
only to the orders of the board.

(b) The duties of the general manager include:
(1) administering board orders;
(2) coordinating with state, federal, and local agencies;
(3) overseeing development of authority plans and programs;
and
(4) performing other duties assigned by the board.

(c) The board shall determine the terms of office and
employment and the compensation of the general manager.

(d) The board may discharge the general manager by a majority
vote of the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04,
eff. April 1, 2019.

Sec. 8888.108. EMPLOYEES. (a) The general manager shall
employ all persons necessary to properly handle authority business
and operations. The general manager may employ attorneys,
bookkeepers, engineers, and other expert and specialized employees
the board considers necessary.

(b) The general manager shall determine the compensation to be
paid by the authority.

(c) The general manager may discharge an authority employee.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04,
eff. April 1, 2019.

Sec. 8888.109. FIDELITY BOND. The general manager and each
authority employee or contractor who is charged with the collection,
custody, or payment of any authority money shall execute a fidelity
bond in an amount determined by the board and in a form and with a
surety approved by the board. The authority shall pay for the bond.
Sec. 8888.151. GENERAL POWERS AND DUTIES. (a) The authority has the rights, powers, privileges, functions, and duties necessary and convenient to accomplish the purposes of this chapter, including those provided by Chapter 49, Water Code.

(b) The authority shall exercise its rights, powers, and privileges in a manner that will promote regionalization of water treatment and distribution.

Sec. 8888.152. ADDITIONAL POWERS. The authority may:

(1) provide for the conservation, preservation, protection, recharge, and prevention of waste of groundwater in a manner consistent with the purposes of Section 59, Article XVI, Texas Constitution;

(2) for the purposes of reducing groundwater withdrawals and subsidence, acquire or develop surface water and groundwater supplies from sources inside or outside the authority and may conserve, store, transport, treat, purify, distribute, sell, and deliver water to persons inside and outside the authority;

(3) coordinate water services provided inside, outside, or into the authority;

(4) provide for the reduction of groundwater withdrawals by the development, implementation, or enforcement of a groundwater reduction plan as provided by Section 8888.157;

(5) identify sources of water other than groundwater to be provided by the authority;

(6) specify the rates and terms under which sources of water other than groundwater will be provided by the authority, which may be changed as considered necessary by the authority;

(7) specify the dates and extent to which each person in the authority shall accept water from the authority; and

(8) administer and enforce this chapter.
Sec. 8888.153.  AUTHORITY RULES.  (a)  The authority shall adopt and enforce rules reasonably required to implement this chapter, including rules governing procedures before the board.
(b)  The board shall compile the authority's rules in a book and make the rules available for use and inspection at the authority's principal office.

Sec. 8888.154.  FEES, RATES, AND CHARGES.  As necessary to enable the authority to fulfill the authority's purposes and regulatory obligations provided by this chapter, the authority may establish:
(1)  fees, rates, and charges; and
(2)  classifications of fee and rate payers.

Sec. 8888.155.  FEE AMOUNTS.  Fees established by the board must be sufficient to:
(1)  achieve water conservation;
(2)  prevent waste of water;
(3)  serve as a disincentive to pumping groundwater;
(4)  accomplish the purposes of this chapter, including making available alternative water supplies;
(5)  enable the authority to meet operation and maintenance expenses; and
(6)  pay the principal of and interest on debt issued in connection with the exercise of the authority's general powers and duties.
Sec. 8888.156. PRODUCTION FEES. (a) The authority may charge the owner of a well located in the authority a fee on the amount of water pumped from the well. The board shall establish the rate of a fee under this subsection only after a special meeting on the fee.

(b) The board by rule shall exempt from the fee established under Subsection (a) each class of wells that is not subject to a groundwater reduction requirement imposed by the subsidence district. If an exempted class of wells becomes subject to a groundwater reduction requirement imposed by the subsidence district, the authority may charge the fee established under Subsection (a) on the wells of that class. The board by rule may exempt any other class of wells from the fee established under Subsection (a).

(c) Notwithstanding any other law, the authority may charge a fee established under Subsection (a) on a well or class of wells located in the authority that, on or after June 30, 2013:

(1) ceases to be subject to a groundwater reduction requirement imposed by the subsidence district; or
(2) is no longer subject to the regulatory provisions, permitting requirements, or jurisdiction of the subsidence district.

(d) The board may not apply the fee established under Subsection (a) to a well:

(1) with a casing diameter of less than five inches that serves a single-family dwelling;
(2) regulated under Chapter 27, Water Code;
(3) used for irrigation of agricultural crops; or
(4) used solely for electric generation.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.157. GROUNDWATER REDUCTION PLAN. (a) The authority may develop, implement, participate in, and enforce a groundwater reduction plan. The groundwater reduction plan is binding on persons and wells in the authority.

(b) The groundwater reduction plan may be amended at the discretion of the authority subject to the requirements and procedures of the subsidence district applicable to the amendment of
groundwater reduction plans.

(c) The groundwater reduction plan may exceed the minimum requirements imposed by the subsidence district, including any applicable groundwater reduction requirements.

(d) The authority may contract on mutually agreeable terms with a person located outside the authority to allow the person to be included in the groundwater reduction plan. A contract entered into under this subsection has the same force and effect as if the person were located in the authority, except that the person is not entitled to vote in an election for members of the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.158. WATER SUPPLY AND DROUGHT CONTINGENCY PLANS. As needed but not less frequently than every five years, the authority by rule shall develop, prepare, revise, and adopt comprehensive water supply and drought contingency plans for various areas of the authority. The plans must:

(1) be consistent with regional planning; and
(2) include 10-year, 20-year, and 50-year projections of water needs in the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.159. ACQUISITION, CONSTRUCTION, AND OPERATION OF SYSTEMS. (a) The authority may:

(1) by purchase, gift, lease, contract, or any other legal means, acquire and provide a water treatment or supply system, or any other work, plant, improvement, or facility necessary or convenient to accomplish the purposes of the authority, or any interest in those assets, inside or outside the authority;
(2) design, finance, or construct a water treatment or supply system, or other supply system, or any other work, plant, improvement, or facility necessary or convenient to accomplish the purposes of the authority, and provide water services inside or outside the authority;
(3) maintain, operate, lease, or sell a water treatment or
supply system, or any other work, plant, improvement, or facility necessary or convenient to accomplish the purposes of the authority, that the authority constructs or acquires inside or outside the authority; or

(4) contract with a person who owns a water treatment or supply system to operate or maintain the system.

(b) The authority shall give a person outside the authority, including the City of Houston, the option to contract for available excess capacity of the authority's water treatment or supply system or, before construction of a water treatment or supply system begins, for additional capacity of the system. The authority must offer a contract that would enable the person to pay for the excess or additional capacity in accordance with the person's pro rata share of the capital investment and operational and maintenance costs for providing the excess or additional capacity.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.160. STORAGE, SALE, OR REUSE OF WATER OR BY-PRODUCT. The authority may store, sell, or reuse:

(1) water; or

(2) any by-product from the authority's operations.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.161. GENERAL CONTRACTING AUTHORITY. (a) The authority may enter into a contract with any person on terms the board considers desirable, fair, and advantageous for the performance of its rights and powers under this chapter.

(b) The authority may enter into a contract with any person regarding the performance of any purpose or function of the authority, including a contract to jointly construct, finance, own, or operate works, improvements, facilities, plants, equipment, or appliances necessary to accomplish a purpose or function of the authority. A contract may be of unlimited duration.

(c) Notwithstanding any inconsistent provision of general law or of a home-rule municipal charter or ordinance, the authority and a
municipality may, after January 1, 2002, enter into a contract of unlimited duration.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.162. SPECIFIC CONTRACTING AUTHORITY. The authority may contract for:

(1) the purchase or sale of water or water rights;
(2) the performance of activities within the powers of the authority to promote the continuing and orderly development of land and property in the authority through the purchase, construction, or installation of works, improvements, facilities, plants, equipment, or appliances so that, to the greatest extent possible considering sound engineering practices and economic feasibility, all the land and property in the authority may receive services of the works, improvements, facilities, plants, equipment, or appliances of the authority; or
(3) the construction, ownership, maintenance, or operation of any works, improvements, facilities, plants, equipment, or appliances of the authority or another person.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.163. PURCHASE OF SURPLUS PROPERTY. (a) The authority may purchase surplus property from this state, the United States, or another public entity through a negotiated contract without bids.

(b) An officer, agent, or employee of the authority who is financially interested in a contract described by Subsection (a) shall disclose the interest to the board before the board votes on the acceptance of the contract.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.164. PURCHASE OF INTEREST IN PROJECT. The authority
may purchase an interest in a project used for a purpose or function of the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.165. COOPERATION WITH PUBLIC ENTITIES. (a) In implementing this chapter, the board may cooperate with and request the assistance of the Texas Water Development Board, the commission, the United States Geological Survey, the subsidence district, other local governments, and other agencies of the United States and this state.

(b) The subsidence district may:

(1) enter into an interlocal contract with the authority to carry out the authority's purposes; and

(2) carry out the governmental functions and services specified in the interlocal contract.

(c) The board shall coordinate with the City of Houston to develop an interregional plan for a system to distribute treated surface water in an economical and efficient manner.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.166. SURFACE WATER DELIVERY SYSTEM. (a) In this section, "surface water delivery system":

(1) includes a facility that is to be constructed and that will be:

(A) used to transport groundwater between utility districts;

(B) used temporarily to transport groundwater between utility districts if there is a reasonable probability that the facility will be used for that purpose on a permanent basis in the future; or

(C) necessary to accomplish an authority purpose, including management of water, water conservation, or water reuse; and

(2) does not include the use of the bed and banks to transport water or wastewater.
(b) The authority may expedite the financing and construction of a surface water delivery system, or other projects of the authority, to accomplish a conversion from reliance on groundwater to reliance on surface water not later than the earlier of:

(1) the date required by the subsidence district; or
(2) the date determined by the board to be in the interest of the authority or one or more districts inside or outside the authority.

(c) It is the intent of the legislature that the commission cooperate with and assist the authority in developing a surface water delivery system or other authority project in an expedited manner as provided by Subsection (b).

(d) The commission and the authority may enter into a memorandum of understanding that relates to the construction of a surface water delivery system. The memorandum of understanding may:

(1) establish standard procedures for the commission to grant conditional or final approval of authority construction projects;
(2) establish standing waivers or conditions applicable to those construction projects;
(3) delegate powers to the authority to carry out any commission duty relating to an activity that the authority may undertake if the delegation:
   (A) does not violate federal law; and
   (B) is not inconsistent with any agreement of this state with, or any delegation of authority to this state from, the United States Environmental Protection Agency;
(4) set minimum standards for construction or other projects; or
(5) address any other matter that relates to an activity that the authority may undertake and that the commission may regulate.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.167. CONDITIONAL APPROVAL OF CONSTRUCTION PROJECTS.
(a) The commission may grant conditional approval of a construction project or waive a requirement of any law or commission rule with
respect to a construction project if the conditional approval or waiver does not compromise public health or safety.

  (b) If the commission grants conditional approval of or a waiver for a construction project, the authority shall make any subsequent changes required by the commission in the construction project necessary to protect the public health or safety.

  (c) The commission may not require that the authority enter into a contract with another person as a condition for approving an authority construction project. The authority may meet the authority's obligations under commission rules that require certain issues to be addressed by contract by adopting rules that address the commission issues and that allocate responsibility as necessary between the authority and a person in the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.168. STATEMENT OF AMOUNTS OF WATER TO BE DELIVERED. To comply with commission rules that would require the authority to state specific amounts of water that may or will be provided to another entity receiving water from the authority, the authority may state the amount in ranges that the authority may change on prompt notification to the commission.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.169. EFFECT OF MUNICIPAL ANNEXATION ON FEES AND SERVICES. (a) Except to the extent the authority agrees in writing, a municipality's annexation of territory that is in the authority does not affect the authority's ability to assess and collect inside the annexed territory the types of fees, rates, charges, or special assessments that the authority was assessing and collecting at the time the municipality initiated the annexation.

  (b) The authority's ability to assess and collect the types of fees, rates, charges, or special assessments described by Subsection (a) terminates on the later of:

    (1) the date of final payment or defeasance of any bonds or other indebtedness, including any refunding bonds, that are secured
(2) the date that the authority no longer provides services inside the annexed territory.

(c) The authority shall continue to provide services to the annexed territory in accordance with contracts in effect at the time of the annexation unless a written agreement between the board and the governing body of the municipality provides otherwise.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.170. CIVIL PENALTY; CIVIL ACTION; INJUNCTION. (a) A person who violates a rule or order of the authority is subject to a civil penalty of not less than $50 and not more than $5,000 for each violation or each day of a continuing violation.

(b) The authority may bring an action to recover the penalty in a district court in the county where the violation occurred. The penalty shall be paid to the authority.

(c) The authority may bring an action for injunctive relief in a district court in the county where a violation of an authority rule or order occurs or is threatened to occur. The court may grant to the authority, without bond or other undertaking, a prohibitory or mandatory injunction that the facts warrant, including a temporary restraining order, temporary injunction, or permanent injunction.

(d) The authority may bring an action for a civil penalty and injunctive relief in the same proceeding.

(e) The authority may bring an action in a district court against a person located in the authority or included in the authority's groundwater reduction plan to:

(1) recover any fees, rates, charges, assessments, collection expenses, attorney's fees, interest, penalties, or administrative penalties due the authority; or

(2) enforce the authority's rules or orders.

(f) Governmental immunity from suit or liability of a district or other political subdivision is waived for the purposes of an action described by Subsection (e).

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.
Sec. 8888.171. EMINENT DOMAIN. (a) The authority may exercise the power of eminent domain in the authority to acquire property of any kind to further the authorized purposes of the authority.

(b) The authority may exercise the power of eminent domain outside the authority to acquire any land, easements, or other property for the purpose of pumping, treating, storing, or transporting water.

(c) The authority may not exercise the power of eminent domain under Subsection (b):

(1) for the condemnation of land for the purpose of acquiring groundwater rights, water, or water rights; or

(2) to acquire property of any kind that is:

(A) owned by a municipality with a population of 1.6 million or more or any instrumentality of a municipality with a population of 1.6 million or more, including any local government corporation created by the municipality; or

(B) located in the corporate boundaries of a municipality with a population of 1.6 million or more as of February 1, 2001.

(d) Notwithstanding Subsection (c)(2)(B), the authority may exercise the power of eminent domain under Subsection (b) to acquire property in the corporate boundaries of a municipality with a population of 1.6 million or more if:

(1) the condemnation is to be used to provide facilities between two points that are in the authority and the area in the municipality is bounded by a line parallel to and 150 feet north of the north side of Greens Bayou and by a line parallel to and 150 feet south of the south side of Greens Bayou;

(2) annexation of the territory by the municipality was completed between January 1, 1962, and January 1, 1964; or

(3) the municipality grants permission for the condemnation.

(e) The authority may not exercise the power of eminent domain to acquire property of any kind in Galveston County.

(f) The authority must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code. The authority is not required to give bond for appeal or bond for costs in a condemnation suit, or other suit to which the authority is a party, and is not required to deposit more than the amount of an award in a suit.
(g) The authority may elect to condemn either the fee simple or a lesser property interest when exercising the power of eminent domain.

(h) The authority's authority under this section to exercise the power of eminent domain expired on September 1, 2013, unless the authority submitted a letter to the comptroller in accordance with Section 2206.101(b), Government Code, not later than December 31, 2012.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8888.201. GIFT OR GRANT FROM SUBSIDENCE DISTRICT. The authority may accept a gift or grant from money collected by the subsidence district under Chapter 8801 to fund a water treatment or supply system.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.202. AUTHORIZATION OF DISBURSEMENT. A disbursement of the authority must be signed by at least two directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.203. AD VALOREM TAX PROHIBITED. The authority may not impose an ad valorem tax.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.204. COOPERATIVE FUNDING. (a) The authority may develop a procedure for funding cooperatively a project of the authority with money from a political subdivision located entirely in the authority, and may develop a procedure for funding cooperatively
a project of the authority with money from a political subdivision located wholly or partly outside the authority, a water supply corporation, or other private entity, if the authority project fulfills a governmental purpose of both the authority and the political subdivision, or fulfills a governmental purpose of the authority that the authority determines would be furthered by cooperative funding from a private entity.

(b) A political subdivision may enter into a contract with the authority for the political subdivision to finance a portion of the proposed project with the political subdivision's resources instead of using only the proceeds from bonds of the authority for that purpose. The contract must be executed before the authority issues the bonds. As provided in the contract, the authority may:

(1) reduce the value of the bond issuance to the degree that the political subdivision provides project funding; and

(2) credit the political subdivision for the political subdivision's contribution to the project financing and adjust the allocation of revenue pledged to the payment of the bonds so that the authority avoids using, to a degree reasonably commensurate with the contribution, revenue from the political subdivision to service the authority's bond debt or interest.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER F. NOTES AND BONDS
Sec. 8888.251. REVENUE NOTES. (a) The board, without an election, may borrow money on negotiable notes of the authority payable solely from the revenue from any source, including:

(1) tolls, charges, and fees the authority imposes;
(2) the sale of water, water or sewer services, or any other service or product of the authority;
(3) grants or gifts;
(4) the ownership and operation of all or a designated part of the authority's works, improvements, facilities, plants, or equipment; and

(5) contracts between the authority and any person.

(b) The notes may be first or subordinate lien notes at the board's discretion. An obligation may not be a charge on the property
of the authority. An obligation may only be a charge on revenue pledged for the payment of the obligation.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.252. REVENUE AND BOND ANTICIPATION NOTES. (a) The board may issue negotiable revenue anticipation notes or negotiable bond anticipation notes to borrow the money needed by the authority without advertising or giving notice of the sale.

(b) The board may also issue negotiable combination revenue and bond anticipation notes. Negotiable combination revenue and bond anticipation notes may contain any term authorized under this section for revenue anticipation notes or bond anticipation notes.

(c) Any note issued must mature not later than one year after its date of issuance.

(d) A revenue anticipation note:

(1) may be issued to enable the authority to carry out any purpose authorized by this chapter; and

(2) must be secured by the proceeds of revenue to be collected by the authority in the 12-month period following the date of issuance of the note.

(e) The board may covenant with the purchasers of revenue anticipation notes that the board will charge and collect sufficient revenue to pay the principal of and interest on the notes and pay the cost of collecting the revenue.

(f) A bond anticipation note may be issued:

(1) for any purpose for which a bond of the authority may be issued; or

(2) to refund previously issued revenue or bond anticipation notes.

(g) The authority may covenant with the purchasers of the bond anticipation notes that the authority will use the proceeds of the sale of any bonds in the process of issuance for the purpose of refunding the bond anticipation notes, in which case the board shall use the proceeds received from the sale of the bonds in the process of issuance to pay the principal, interest, or redemption price on the bond anticipation notes.

(h) For purposes of Section 1202.007, Government Code, a note
issued under this section is considered to be payable only out of:
(1) current revenue collected in the year the note is
issued; or
(2) the proceeds of other public securities.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.253. BONDS AND NOTES. (a) To carry out a power
conferred by this chapter, the authority may issue bonds secured by
all or part of the revenue from any source, including any source
described by Section 8888.251(a).
(b) In issuing or securing a bond or note of the authority, the
authority may exercise any power of an issuer under Chapter 1371,
Government Code.
(c) The authority may conduct a public, private, or negotiated
sale of the bonds.
(d) The bonds must:
(1) be authorized by board resolution;
(2) be issued in the authority's name;
(3) be signed by the board president or vice president;
(4) be attested by the board secretary; and
(5) bear the authority's seal or facsimile seal.
(e) The bonds may be secured by an indenture of trust with a
corporate trustee.
(f) The authority may issue bonds in more than one series as
required for carrying out the purposes of this chapter. In issuing
bonds secured by the authority's revenue, the authority may reserve
the right to issue additional bonds secured by the authority's
revenue that are on a parity with or are senior or subordinate to the
bonds issued earlier.
(g) The resolution authorizing the bonds or the trust indenture
securing the bonds may specify additional provisions that constitute
a contract between the authority and the authority's bondholders.
The board may provide for:
(1) additional bond provisions; and
(2) a corporate trustee or receiver to take possession of
the authority's facilities if the authority defaults.
(h) Section 49.181, Water Code, does not apply to bonds or
notes issued by the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.254.  BONDS SECURED BY CONTRACT PROCEEDS: APPROVAL. (a) If bonds issued under this subchapter are secured by a pledge of the proceeds of a contract between the authority and a municipality or other governmental agency, authority, or district, the authority shall submit to the attorney general a copy of the contract and the proceedings of the municipality or other governmental agency, authority, or district authorizing the contract.

(b) If the attorney general finds that the bonds have been authorized and the contract has been made in accordance with law, the attorney general shall approve the bonds and contract.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.255.  REFUNDING BONDS. The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Sec. 8888.256.  VALIDITY OF BONDS AFTER ADDITION OF TERRITORY. The annexation or addition of territory to the authority under Section 8888.052 or 8888.053 does not affect the validity of bonds issued by the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

CHAPTER 8891.  JEFF DAVIS COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

SUBCHAPTER A.  GENERAL PROVISIONS
Sec. 8891.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commissioners court" means the Jeff Davis County Commissioners Court.
(3) "Director" means a board member.
(4) "District" means the Jeff Davis County Underground Water Conservation District.

Added by Acts 2017, 85th Leg., R.S., Ch. 1158 (S.B. 964), Sec. 1, eff. September 1, 2017.

Sec. 8891.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Jeff Davis County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 1158 (S.B. 964), Sec. 1, eff. September 1, 2017.

Sec. 8891.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.
(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 1158 (S.B. 964), Sec. 1, eff. September 1, 2017.

Sec. 8891.004. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of Jeff Davis County, unless the district's territory has been modified under:
(1) Subchapter J or K, Chapter 36, Water Code; or
(2) other law.

Added by Acts 2017, 85th Leg., R.S., Ch. 1158 (S.B. 964), Sec. 1, eff. September 1, 2017.
Sec. 8891.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. (a) Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.
(b) Section 36.121, Water Code, does not apply to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 1158 (S.B. 964), Sec. 1, eff. September 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8891.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors appointed by the commissioners court.
(b) Directors serve staggered four-year terms that expire on March 1 of the applicable odd-numbered year.

Added by Acts 2017, 85th Leg., R.S., Ch. 1158 (S.B. 964), Sec. 1, eff. September 1, 2017.

Sec. 8891.052. VACANCIES. If there is a vacancy on the board, the commissioners court shall appoint a director to serve the remainder of the term.

Added by Acts 2017, 85th Leg., R.S., Ch. 1158 (S.B. 964), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8891.101. GENERAL POWERS AND DUTIES. The district has the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 1158 (S.B. 964), Sec. 1, eff. September 1, 2017.

Sec. 8891.102. LIMITATION ON TAXES. The district may not impose taxes in the district.
Sec. 8891.103. FEES. (a) The district may assess fees as authorized by Section 36.205, Water Code.
(b) The district may not charge for an annual period production fees greater than $1 per acre-foot for water used for agricultural use or 17 cents per 1,000 gallons for water used for any other purpose.

SUBTITLE I. WATER CONTROL AND IMPROVEMENT DISTRICTS

For contingent expiration of this chapter, see Sec. 9001.003.

CHAPTER 9001. SMILEY ROAD WATER CONTROL AND IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9001.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Smiley Road Water Control and Improvement District.

Sec. 9001.002. NATURE OF DISTRICT. The district is a water control and improvement district in Denton County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Sec. 9001.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held
under Section 9001.023 before September 1, 2007:
   (1) the district is dissolved September 1, 2007, except that:
      (A) any debts incurred shall be paid;
      (B) any assets that remain after the payment of debts shall be transferred to Denton County; and
      (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
   (2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

Sec. 9001.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
   (b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
      (1) the organization, existence, or validity of the district;
      (2) the right of the district to impose ad valorem taxes; or
      (3) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

Sec. 9001.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 51, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 9001.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

Sec. 9001.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 9001.101. GENERAL POWERS. (a) The district has:

(1) all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution; and

(2) subject to Section 9001.105, the rights, authority, privileges, and functions of a road district operating under Section 52(b)(3), Article III, Texas Constitution, Chapter 257, Transportation Code, and other general laws of this state relating to road districts.

(b) The district may provide water, sanitary sewer, drainage, and, subject to Section 9001.105, road services to each part of the district not receiving those services on the effective date of the Act creating this chapter.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

Sec. 9001.102. AUTHORITY TO CONTRACT WITH OWNERS OF REAL PROPERTY IN DISTRICT. The district may enter into a contract with an owner of real property in the district for the construction, acquisition, financing, ownership, maintenance, and operation of a
work or project described by Section 9001.101(b).

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

Sec. 9001.103. CONTRACTS WITH CITY OF CELINA. The district shall use its best efforts to acquire water, sewer, and other powers permitted by law and, if successful, to enter into a contract with the City of Celina to provide water, sewer, and other services to the city.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

Sec. 9001.104. DIVISION OF DISTRICT. (a) The district may be divided into two or more districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 9001.004.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between the district and each new district.

(f) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.
(g) A new district may be created by the division of the district only if approved by the voters of the new district in a confirmation and directors' election held for that purpose.

(h) If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the municipality by resolution or ordinance consents to the division of the district.

(i) Any new district created by the division of the district must hold an election to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

Amended by:
Acts 2017, 85th Leg., R.S., Ch. 626 (H.B. 4287), Sec. 1, eff. June 12, 2017.
Acts 2017, 85th Leg., R.S., Ch. 787 (H.B. 2565), Sec. 2.01, eff. June 15, 2017.

Sec. 9001.105. VOTER APPROVED ROAD DISTRICT POWERS. (a) If a majority of the voters of the district vote in favor of the district's assumption of road district powers in the manner provided by Section 53.029, Water Code, at an election held for that purpose, the district shall assume the rights, authority, privileges, and functions of a road district as described by Section 9001.101(a)(2).

(b) If the voters approve road district powers under Subsection (a), the district may provide for, or provide aid for, the construction, acquisition, financing, maintenance, and operation of macadamized, graveled, or paved roads inside the district. Road district powers under this section do not include any powers related to the construction, acquisition, financing, maintenance, or operation of a turnpike or toll road.

(c) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a
municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(d) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless the county in which the district is located consents by ordinance or resolution.

(e) If the district assumes road district powers under this section, construction plans and specifications for all roads must be submitted to Denton County for approval.

(f) Section 49.182, Water Code, does not apply to a project undertaken by the district under this section.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

Sec. 9001.106. ADDITION OF LAND TO DISTRICT. The district may add land to the district in the manner provided by Section 49.301, Water Code, if the owner of the land submits a petition to the district for the addition of the land to the district and the land is adjacent to the territory of the district or is separated from the district only by public land or a right-of-way.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9001.151. AD VALOREM PLAN OF TAXATION. The district shall use the ad valorem plan of taxation, subject to voter approval at an election held in the district for that purpose.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

Sec. 9001.152. AD VALOREM TAX FOR ROAD PROJECTS. The district
may impose an ad valorem tax to pay the principal of or interest on bonds issued under Section 9001.201(b) to finance projects under Section 9001.105.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

Sec. 9001.153. UTILITY EXEMPTION FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. BONDS

Sec. 9001.201. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds as provided by Chapter 49 or 51, Water Code, or Section 53.029, Water Code, the general laws of this state, or this section.

(b) Except as provided by Subsection (c) and Section 9001.202, the district may issue bonds, notes, or other obligations as provided by Section 53.029, Water Code, to finance, or assist in the financing of, projects under Section 9001.105.

(c) The district may not issue bonds under Subsection (b) unless the issuance is authorized by two-thirds of the district's voters voting at an election called for that purpose.

(d) Section 49.181, Water Code, does not apply to a bond issued by the district under Section 53.029, Water Code.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.
Sec. 9001.202. LIMIT ON BONDS AND OTHER OBLIGATIONS. (a) Bonds, notes, or other obligations issued or incurred by the district under Section 53.029, Water Code, may not exceed one-fourth of the assessed value of the real property in the district.

(b) The district may not issue bonds until a development agreement between the City of Celina and the district has been signed.

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

Sec. 9001.203. USE OF BOND PROCEEDS. The district may use proceeds from the sale of bonds to acquire improvements or facilities:

(1) from a private water supply corporation to provide water or sanitary sewer services to territory in the district; or

(2) to provide services described by Section 9001.101(b).

Added by Acts 2005, 79th Leg., Ch. 446 (S.B. 1828), Sec. 1, eff. June 17, 2005.

For contingent expiration of this chapter, see Sec. 9002.003.

CHAPTER 9002. KAUFMAN COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9002.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means Kaufman County Water Control and Improvement District No. 1.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 1.01, eff. June 18, 2005.

Sec. 9002.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Kaufman County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 9002.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 9002.023 before September 1, 2007:

(1) the district is dissolved September 1, 2007, except that:

   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Kaufman County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Sec. 9002.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 1.02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 1.02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the district or the board.

Sec. 9002.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 49 and 51, Water Code, apply to the district.
Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 1.01, eff. June 18, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 9002.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 1.01, eff. June 18, 2005.

Sec. 9002.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 1.01, eff. June 18, 2005.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 9002.101. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads.
(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.
(c) The district may not undertake a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.
(d) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for a road project authorized by this section.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 1.01, eff. June 18, 2005.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 243 (S.B. 2413), Sec. 1, eff. May
Sec. 9002.102. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for a pipeline that serves the district.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 1.01, eff. June 18, 2005.

Sec. 9002.103. AUTHORITY TO PROVIDE SERVICES. The district may provide water, sanitary sewer, drainage, and road services to any part of the district not receiving those services on the effective date of the Act creating this chapter.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 1.01, eff. June 18, 2005.

Sec. 9002.104. AUTHORITY TO CONTRACT. The district may enter into a contract with an owner of real property in the district to construct, acquire, finance, own, maintain, or operate works or projects authorized by Section 9002.103.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 1.01, eff. June 18, 2005.

Sec. 9002.105. DIVISION OF DISTRICT. The district may divide into two new districts as provided by Section 53.029, Water Code.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 1.01, eff. June 18, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9002.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 9002.201.
Sec. 9002.152. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;
(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or
(4) a cable operator as defined by 47 U.S.C. Section 522.

Sec. 9002.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of projects under Section 9002.101.

(b) The district may not issue bonds under Subsection (a) unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 9002.101 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 9002.101 or to bonds issued by the district to finance the project.

Sec. 9002.202. USE OF BOND PROCEEDS. The district may use
proceeds from the sale of bonds to acquire from a private water supply corporation facilities or improvements necessary to provide a service authorized by Section 9002.103.

Added by Acts 2005, 79th Leg., Ch. 1361 (S.B. 1894), Sec. 1.01, eff. June 18, 2005.

CHAPTER 9003. AQUILLA-HACKBERRY CREEK CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9003.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Aquilla-Hackberry Creek Conservation District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.002. NATURE OF DISTRICT. The district is a conservation and reclamation district and a political subdivision created under Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.003. LEGISLATIVE DECLARATION AND FINDINGS. (a) The legislature declares that:
(1) the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and
(2) this chapter addresses a subject in which the state and general public are interested.
(b) The legislature finds that:
(1) all land included in the district will be benefited; and
(2) the district is created to serve a public use and benefit.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.004. DISTRICT TERRITORY. The district is composed of
the territory described by Section 3, Chapter 183, Acts of the 56th Legislature, Regular Session, 1959 (Article 8280-222, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code, before September 1, 1995;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.005. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to accomplish its purposes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. ADMINISTRATION

Sec. 9003.051. BOARD. The board consists of five directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.052. QUALIFICATIONS FOR OFFICE. A director of the district must be:

(1) at least 21 years of age;
(2) a resident of the state; and
(3) the owner of taxable property in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.053. BOND. Each director shall make bond in the amount of $5,000 for the faithful performance of the director's duties.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.054. ORDER FOR DIRECTORS ELECTION. The election order for a directors election shall state the time, place, and
Sec. 9003.055. NOTICE OF ELECTION. Notice of the directors election shall be published two times in a newspaper of general circulation in the district at least 30 days before the election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.056. ELECTION RESULTS. (a) The candidate receiving the highest number of votes for a position shall be declared elected as a director of the district.

(b) The board shall enter an order declaring the results of the election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.057. PETITION. (a) Any candidate for director may have the candidate's name printed on the ballot by submitting a petition signed by at least 25 persons qualified to vote at the election.

(b) The petition must be presented to the secretary of the board not later than the 21st day before the date of the election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.058. COMPENSATION. (a) Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, a director is entitled to receive an amount determined by the board, not to exceed $40 a day, for:

(1) each day the director attends a meeting of the board; or

(2) each day the director otherwise devotes to the business of the district.

(b) A director is entitled to reimbursement for actual expenses incurred in attending to district business, provided the service and
expense are expressly approved by the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.059. APPOINTMENT OF SECRETARY AND TREASURER. The board shall appoint a secretary and a treasurer. The board may combine the offices of secretary and treasurer. The secretary or treasurer is not required to be a director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.060. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.061. EMPLOYEES. The board may employ a general manager, attorneys, accountants, engineers, or other technical or nontechnical employees or assistants and set the amount and manner of their compensation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.062. DISTRICT SEAL. The board may adopt a seal for the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9003.101. GENERAL POWERS. (a) The district has all the rights, powers, and privileges granted water control and improvement districts by:

(1) Chapter 51, Water Code; and
(2) other laws relating to water control and improvement districts.

(b) Repealed by Acts 2005, 79th Leg., Ch. 729, Sec. 2.02, eff.
April 1, 2007.

(c) In addition to powers granted the district under other law, the district has the power to:

(1) control, store, conserve, protect, distribute, and use the storm and flood waters in the district for all useful purposes permitted by law;

(2) implement flood prevention and control measures in the district and prevent or aid in preventing damage to district lands and the soil and fertility of those lands;

(3) receive and accept technical and financial assistance from other districts or state agencies or from the United States to accomplish district purposes; and

(4) purchase, construct, maintain, or in any other manner acquire, provide, and develop all works, facilities, improvements, lands, easements, and properties that may be necessary or useful in fulfilling any purpose of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 2.02, eff. April 1, 2007.

Sec. 9003.102. SURVEYS; ENGINEERING INVESTIGATIONS. The board may conduct or provide for surveys and engineering investigations for district purposes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.103. EXPENDITURES. The board may provide for the payment of expenditures considered essential to the proper maintenance of the district and its business.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.104. LIMITATION ON EMINENT DOMAIN. The district's powers of eminent domain are limited to Hill and McLennan counties.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 9003.105. COST OF RELOCATING PROPERTY. If the district's exercise of eminent domain or of another power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of any highway, railroad, electric transmission line, telephone or telegraph properties and facilities, or pipeline, all the necessary relocating, raising, rerouting, changing of grade, or alteration of construction shall be accomplished at the sole expense of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER D. TAXES AND BONDS

Sec. 9003.151. AUTHORITY TO IMPOSE TAX; TAX ELECTIONS. (a) If authorized at an election under Section 49.107, Water Code, the district may impose annual ad valorem taxes to provide funds:

(1) necessary to construct or acquire, maintain, and operate works, plants, and facilities considered essential or beneficial to the district and its purposes; or

(2) adequate to defray the cost of the maintenance, operation, and administration of the district.

(b) Elections for the imposition of taxes shall be:

(1) ordered by the board; and

(2) held and conducted in the manner provided by general law relating to elections for the authorization of bonds of water control and improvement districts.

(c) In calling an election for taxes authorized by Subsection (a), the board shall specify the maximum tax rate. A tax in excess of that amount may not be imposed without submitting the question of the increased rate to the voters.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.152. TAX LIEN. All taxes imposed by the district for any purpose constitute a lien on the property taxed. Limitation does not bar the enforcement or collection of those taxes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 9003.153. ISSUANCE OF BONDS. (a) To accomplish district purposes, the board may borrow money and issue bonds in the manner provided by general law.

(b) In the resolution authorizing the bonds, the district may set aside an amount from the bond proceeds for:

(1) the payment of interest expected to accrue during construction; and

(2) a reserve interest and sinking fund.

(c) Bond proceeds may be used to pay all expenses necessarily incurred in accomplishing district purposes, including the expenses of issuing and selling the bonds.

(d) Pending the use of bond proceeds for the purpose for which the bonds were issued, the board may invest the proceeds in obligations of or guaranteed by the United States.

(e) Bonds payable wholly from the district's net revenue, from the proceeds of any water contracts, or from any source other than ad valorem taxes may be issued pursuant to a board resolution without a hearing or election. The resolution must be authorized by unanimous vote of all directors.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9003.154. TAX STATUS OF BONDS. All bonds issued by the district, the transfer of the bonds, and the income from the bonds, including profits from the sale of the bonds, may not be taxed by the state or by any municipal corporation, county, or other political subdivision or taxing district of the state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

CHAPTER 9004. SOUTH BUDA WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9004.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the South Buda Water Control and
Improvement District No. 1.

Added by Acts 2005, 79th Leg., Ch. 1323 (H.B. 3479), Sec. 1, eff. June 18, 2005.

Sec. 9004.002. NATURE OF DISTRICT. The district is a water control and improvement district in Hays County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1323 (H.B. 3479), Sec. 1, eff. June 18, 2005.

Sec. 9004.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 9004.021 before September 1, 2010:

(1) the district is dissolved September 1, 2010, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Hays County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2013.

Added by Acts 2005, 79th Leg., Ch. 1323 (H.B. 3479), Sec. 1, eff. June 18, 2005.

Sec. 9004.004. DISTRICT TERRITORY. (a) The district includes the territory provided by Section 2 of the Act creating this chapter, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or
(2) other law.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:
(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes; or
(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 1323 (H.B. 3479), Sec. 1, eff. June 18, 2005.

Sec. 9004.005. APPLICABILITY OF OTHER LAW; CONFLICTS OF LAW.
(a) Except as otherwise provided by this chapter, the following laws apply to the district:
(1) Chapters 30, 49, and 51, including Section 51.331, Water Code; and
(2) Chapter 441, Transportation Code, applicable to road utility districts created under Section 52, Article III, Texas Constitution, to the extent those provisions can apply to the district.
(b) If a provision of Chapter 441, Transportation Code, relating to road utility districts, conflicts with this chapter or Chapter 30, 49, or 51, Water Code, this chapter or Chapters 30, 49, and 51, Water Code, prevail.

Added by Acts 2005, 79th Leg., Ch. 1323 (H.B. 3479), Sec. 1, eff. June 18, 2005.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9004.051. STREET OR SECURITY LIGHTING. The district may purchase, install, operate, or maintain street lighting or security lighting within public utility easements or public rights-of-way in the district.

Added by Acts 2005, 79th Leg., Ch. 1323 (H.B. 3479), Sec. 1, eff. June 18, 2005.

CHAPTER 9005. BELL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

The following section was amended by the 86th Legislature. Pending
publication of the current statutes, see H.B. 2105, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 9005.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Bell County Water Control and Improvement District No. 1.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9005.002. FINDING OF BENEFIT. The legislature finds that all property in the district will benefit from the improvements constructed, acquired, leased, or operated by the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 2105, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 9005.003. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 523, Acts of the 54th Legislature, Regular Session, 1955 (Article 8280-189, Vernon's Texas Civil Statutes), as that territory may have been modified under:
(1) Subchapter J, Chapter 49, Water Code;
(2) Subchapter O, Chapter 51, Water Code, before September 1, 1995;
(3) former Section 4A, Chapter 523, Acts of the 54th Legislature, Regular Session, 1955 (Article 8280-189, Vernon's Texas Civil Statutes); or
(4) other law.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Regular Session, for amendments affecting the following section.

Sec. 9005.004. ANNEXATION OF TERRITORY. (a) If an election concerning the annexation of territory to the district would result in the district boundaries becoming coterminous with the boundaries of the City of Killeen, the board, in a separate proposition, may submit the question of whether to automatically extend the boundaries of the district to include territory the City of Killeen annexes that is not already included in the district.

(b) Land annexed by the City of Killeen under Subsection (a) is part of the district only after:

(1) the annexed area assumes its pro rata share of all bonds, notes, or other obligations or taxes owed, contracted, or authorized by the district; and

(2) that assumption is approved at an election held in the district as enlarged as a result of the annexation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9005.051. GENERAL POWERS; APPLICABILITY OF OTHER LAW. The district has all powers granted to water control and improvement districts under the general laws of this state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9005.052. CONTRACTS TO LEASE AND OPERATE FEDERAL FACILITIES OR PROPERTIES. (a) The district may contract with the United States or any officer of the United States to lease or operate a facility or other property owned by the United States, inside or outside the district, to:

(1) supply, transport, and distribute fresh water, including a contract regarding water rights to appropriate and use public waters from the Leon River or Belton Reservoir; and

(2) collect, treat, and dispose of wastewater and sewage, including a contract regarding maintenance, repair, extension, or improvement of the facilities or other property.

(b) The contract provisions must be, as determined by the
board, in the district's best interests in providing a water supply and sanitary sewer service for persons who reside in and in the vicinity of the district.

(c) The contract's initial period may not exceed 40 years.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9005.053. PURCHASE OR USE OF WATER. (a) The district may:

(1) acquire a water or a water supply facility inside or outside the district from any person, including:
   (A) this state or any agency or subdivision of this state; and
   (B) the United States; and
(2) treat, use, distribute, and sell, inside or outside the district, any water the district acquires.

(b) Before exercising a power under Subsection (a), the board must determine that adequate provisions can be made to continue to serve the water requirements in the district.

(c) The district's powers under this section are under the continuing supervision of the Texas Commission on Environmental Quality under Chapters 5 and 6, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

SUBCHAPTER C. FINANCIAL PROVISIONS

Sec. 9005.101. TAX METHOD. The district shall use the ad valorem method of taxation for all authorized taxes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9005.102. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving, enlarging, or extending any district works, improvements, facilities, plants, equipment, and
appliances needed or useful to accomplish or carry out the purposes, powers, functions, or obligations of the district, including works, improvements, facilities, plants, equipment, and appliances needed to provide a waterworks system, sanitary sewer system, storm sewer system, or solid waste disposal system.

(b) To provide for the payment of bonds issued under this section, the district may:

1. impose ad valorem taxes on all taxable property in the district;
2. pledge all or any part of revenue available to the district from any source, including all or part of the revenue:
   A. resulting from the ownership or operation of the district's works, improvements, facilities, plants, equipment, and appliances; or
   B. available under specific contracts for a period of time the district determines; or
3. pledge any combination of the sources of taxes or revenue described by Subdivisions (1) and (2).

(c) Bonds secured by and payable solely from revenue under Subsection (b)(2):

1. may be issued without an election; and
2. are not subject to Section 49.181, Water Code.

(d) The district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(e) The district may exercise any of the rights or powers granted to the governing body of an issuer under Chapter 1371, Government Code.

(f) This section is wholly sufficient authority for the issuance of bonds, the pledge of revenues, taxes, or any combination of revenues and taxes, and the performance of other acts and procedures authorized by this section by the district without reference to any other provision of law or any restriction or limitation contained in those provisions, except as specifically provided by this section.

(g) To the extent of any conflict or inconsistency between this section and any other law, this section controls.

(h) The district may use any law not in conflict with this section to the extent convenient or necessary to carry out any power.
or authority, express or implied, granted by this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Amended by:
   Acts 2011, 82nd Leg., R.S., Ch. 60 (H.B. 1551), Sec. 1, eff. May 17, 2011.

Sec. 9005.103. CANCELLATION OF CERTAIN BOND AUTHORITY. The district may cancel, by order adopted by the board, the authority to issue the $4.5 million bonds authorized at an election held within the district on August 30, 1952, to construct or purchase water and sewer facilities the United States has undertaken to construct.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

CHAPTER 9006. CLEAR CREEK WATERSHED AUTHORITY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9006.001. DEFINITIONS. In this chapter:
(1) "Authority" means the Clear Creek Watershed Authority.
(2) "Board" means the authority's board of directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9006.002. NATURE OF AUTHORITY. The Clear Creek Watershed Authority is a conservation and reclamation district created to control, store, preserve, and distribute storm and flood waters along Clear Creek and tributaries in Cooke, Denton, Montague, and Wise Counties, as authorized by Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9006.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
The authority is created to serve a public use and benefit.

(b) All territory and other property included within the boundaries of the authority will benefit from the projects, improvements, works, and measures to be constructed and accomplished by the authority under powers conferred by Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9006.004. AUTHORITY TERRITORY; EXCLUSION. (a) The authority is composed of portions of Cooke, Denton, Montague, and Wise Counties as described by Sections 2 and 2a, Chapter 372, Acts of the 56th Legislature, Regular Session, 1959 (Article 8280-234, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code, before September 1, 1995;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) An error or discrepancy in the field notes of the authority's boundaries contained in Section 2, Chapter 372, Acts of the 56th Legislature, Regular Session, 1959 (Article 8280-234, Vernon's Texas Civil Statutes), does not affect the validity of the authority or any of its powers.

(c) Territory in the authority that is annexed by a municipality on or after January 1, 2009, remains in the authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 878 (S.B. 2519), Sec. 2, eff. June 19, 2009.

Sec. 9006.005. APPLICABILITY OF OTHER LAW. Except as provided in this chapter, general laws pertaining to water control and improvement districts govern the authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff.
April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9006.051. COMPOSITION. The board consists of nine directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9006.052. ELIGIBILITY TO SERVE. A director of the authority or any subordinate district must be a landowner within the authority and reside in Cooke, Denton, Montague, or Wise County. A director who fails to meet the requirements of this section shall vacate the director's office.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9006.101. GENERAL POWERS. To accomplish a purpose for which the authority is created, the authority has the powers conferred by the general laws of this state on water control and improvement districts, including the power to:

(1) construct, acquire, improve, maintain, or repair a dam or other structure; and

(2) acquire land, easements, equipment, or other property needed to use, control, or distribute storm or flood waters that may be impounded, diverted, or controlled by the authority.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9006.102. LIMIT ON IMPOUNDING WATER. The authority's right to impound water is subject to a prior grant or permit issued by the Texas Commission on Environmental Quality.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff.
April 1, 2007.

Sec. 9006.103. RESTRICTION ON EMINENT DOMAIN POWER. The authority may not exercise the power of eminent domain outside authority boundaries.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9006.104. COST OF RELOCATING OR ALTERING PROPERTY. If the authority in the exercise of the power of eminent domain, the power of relocation, or any other powers granted under this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of any highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the authority or the subordinate district is solely responsible for the expense of that necessary action.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

**SUBCHAPTER D. FINANCIAL PROVISIONS**

Sec. 9006.201. ISSUANCE OF BONDS. To accomplish an authority purpose and to obtain money necessary to furnish land or easements or permanent improvements on the land or easements, the authority may issue and secure bonds as provided by general law for water control and improvement districts.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9006.202. PLEDGE OF REVENUE TO PAY BONDS. When the board selects a plan of taxation, the board may pledge authority revenue to pay bonds authorized by voters.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Sec. 9006.203. USE OF AD VALOREM TAXATION PLAN. The authority shall use the ad valorem plan of taxation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9006.204. PLAN OR METHOD OF TAXATION; HEARING. (a) Except as provided by Subsection (b), after adopting a plan or method of taxation, the authority may call a hearing to consider changing the method of taxation. The authority shall call the hearing in the same manner used for the hearing to adopt the original plan of taxation.

(b) Once bonds are approved by the attorney general or district court, the political subdivision issuing the bonds may not change its plan of taxation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9006.205. MAINTENANCE TAX ELECTION PROCEDURES. (a) A maintenance tax election shall be called and notice given in the same manner as provided for a bond election.

(b) This chapter does not prevent the calling of a later maintenance tax election to establish or increase the amount of tax if the board determines that a maintenance tax election is required.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9006.206. MAINTENANCE TAX RATE. In calling a maintenance tax election, the board must specify the maximum proposed tax rate. To impose a maintenance tax at a rate that exceeds the maximum proposed rate approved by the voters, the board must submit the question of a tax rate increase to the voters.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff.
April 1, 2007.

Sec. 9006.207. AUTHORITY PROPERTY NOT SUBJECT TO TAXATION. Property owned by the authority is exempt from ad valorem taxes imposed by a county, municipality, school district, or other entity.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Amended by: Acts 2009, 81st Leg., R.S., Ch. 878 (S.B. 2519), Sec. 3, eff. June 19, 2009.

CHAPTER 9007. BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9007.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Bexar-Medina-Atascosa Counties Water Control and Improvement District No. 1.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9007.051. COMPOSITION; TERM. (a) The district is governed by a board of seven directors elected to staggered four-year terms.
(b) Five directors are elected from single-member precincts. Two directors are elected at large.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.052. DIRECTOR QUALIFICATIONS. (a) A person seeking to represent a single-member precinct of the district must own land in the precinct the person seeks to represent.
(b) A person seeking to represent the district at large must

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own land in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.053. APPLICATION FOR PLACEMENT ON BALLOT. A person seeking to be placed on the ballot for a board election must:

(1) indicate that the person wishes to run for a position representing the district at large; or
(2) identify the single-member precinct from which the person wishes to run.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.054. EMPLOYMENT OF GENERAL MANAGER; APPLICABILITY OF OTHER LAW. Section 49.056(c), Water Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.055. COMPENSATION. Notwithstanding Section 49.060(a), Water Code, a director is not entitled to receive a fee of more than $150 a month for performing the duties of a director.

Added by Acts 2009, 81st Leg., R.S., Ch. 1061 (H.B. 4706), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. EXCLUSION OF LAND BY RESOLUTION

Sec. 9007.101. AUTHORITY TO EXCLUDE LAND. (a) The board by resolution may exclude from the district land that:

(1) is inside the district but was not included in the district when the district was created; and
(2) has been subdivided into town lots and blocks, with streets or other thoroughfares dedicated to the use of the public.

(b) A map and the dedication of the land must be filed for
record with the county clerk of the county in which the land is located before the board adopts the resolution to exclude the land.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.102. ENTRY OF EXCLUSION INTO MINUTES. The secretary of the district shall enter a resolution passed under Section 9007.101 in the board's minutes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.103. EFFECT OF EXCLUSION RESOLUTION. From and after the time the secretary of the district enters a resolution under Section 9007.102, the excluded land is no longer:

(1) part of the district; or
(2) entitled to be served with water by the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

**SUBCHAPTER D. EXCLUSION OF PROPERTY AFTER HEARING**

Sec. 9007.151. AUTHORITY TO EXCLUDE PROPERTY. The board may exclude property from the district if the board, after notice and hearing, finds that exclusion of the property is in the best interest of the district and that:

(1) the property is not irrigable with water purchased from the district because:

(A) the district cannot deliver water by gravity flow to a high point on the property to irrigate the property;
(B) the property is subdivided into tracts of less than 10 acres; or
(C) the property is subdivided into town lots, town lots and blocks, or similar small parcels of any size that will not be used for agricultural purposes or are suitable for a residential, commercial, or other nonagricultural purpose; or

(2) the property has not been irrigated with water
purchased from the district for a period of not less than three years before the date the notice for the hearing is mailed.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.152. GROUNDS FOR HEARING. If the board has information that property located in the district is not irrigated or irrigable, the board may call and hold a hearing to determine whether to exclude the property from the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.153. NOTICE OF HEARING; PUBLICATION. (a) The board, by certified mail, return receipt requested, shall issue to each owner of property in the area proposed to be excluded a written notice of a hearing to be held under this subchapter. For purposes of this subsection, the board shall use the current tax rolls of the district to determine property ownership.

(b) The board shall issue a notice under Subsection (a) not earlier than the 21st day and not later than the 16th day before the date of a hearing held under this subchapter. The notice must:

(1) describe the property proposed to be excluded;
(2) describe the basis for the proposed exclusion;
(3) state the time, date, and location of the hearing; and
(4) advise that an interested property owner has the right to appear at the hearing to offer evidence to contest the proposed exclusion.

(c) The board shall publish notice of a hearing to be held under this subchapter at least once a week for two consecutive weeks in a newspaper of general circulation in each county in which the property proposed to be excluded is located. The first published notice must appear in the newspaper not earlier than the 40th day and not later than the 16th day before the date of the hearing. The notice must:

(1) describe the property proposed to be excluded;
(2) state the time, date, and location of the hearing; and
(3) advise that an interested property owner has the right
to appear at the hearing and to offer evidence to contest the proposed exclusion.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.154. CONSENT FROM HOLDERS OF INDEBTEDNESS. If the district has outstanding bonded indebtedness, or indebtedness under a loan from a governmental agency, a written consent from an authorized representative of the holder or holders of the indebtedness consenting to an exclusion of land from the district under this subchapter shall be obtained and filed with the district before a hearing is held under this subchapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.155. SUIT TO REVIEW ORDER; APPEAL. An interested person may:
(1) bring a suit to review an exclusion order issued under this subchapter in the manner provided by Section 49.308, Water Code; and
(2) appeal as provided by Section 49.308(c), Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.156. NOTICE AND RECORD OF EXCLUSION. (a) The district shall record a copy of an exclusion order issued under this subchapter in the real property records of the county in which the excluded property is located. The copy of the order must be certified and acknowledged by the secretary of the board.

(b) The board shall provide a copy of the order to the Texas Commission on Environmental Quality not later than the 30th day after the date the board issues the order.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Sec. 9007.157. EFFECT OF EXCLUSION. (a) Property excluded under this subchapter is not a part of the district and is not entitled to purchase water from or to receive any other service from the district.

(b) A tax, assessment, or other charge on the excluded property that is owed to the district at the time the exclusion order takes effect remains the obligation of the owner of the excluded property and continues to be secured by any statutory liens on the property.

(c) After property is excluded under this subchapter, the owner of the property is not liable to the district for future taxes, assessments, or other charges of the district based on the excluded property.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.158. DISTRICT FACILITIES AND EASEMENTS. An exclusion order issued under this subchapter does not affect or interfere with any rights that the district has to maintain and continue operation of an easement, canal, ditch, pipeline, pump, or other district facility that is located on the excluded property for the purpose of servicing property remaining in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.

Sec. 9007.159. SUBSTITUTION FOR EXCLUDED PROPERTY. (a) At the sole discretion of the board, after the board issues an exclusion order under this subchapter, property may be added to the district if the property is:

(1) practically irrigable with water purchased from the district; and

(2) in the aggregate less than or equal to the acreage of property excluded under the exclusion order.

(b) Property may be added to the district under this section only if the owner of the property files a petition requesting inclusion. If the owner requesting inclusion already has acreage
within the district, all taxes and other assessments owed to the
district by the owner must be current before the board may consider
the petition requesting inclusion.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff.
April 1, 2007.

For contingent expiration of this chapter, see Sec. 9008.003.

CHAPTER 9008. LA SALLE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9008.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the La Salle Water Control and
Improvement District No. 1.

Added by Acts 2005, 79th Leg., Ch. 467 (S.B. 1891), Sec. 1, eff. June
17, 2005.

Sec. 9008.002. NATURE OF DISTRICT. The La Salle Water Control
and Improvement District No. 1 is a water control and improvement
district in Calhoun County created under and essential to accomplish
the purposes of Section 52, Article III, and Section 59, Article XVI,
Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 467 (S.B. 1891), Sec. 1, eff. June
17, 2005.

Sec. 9008.003. CONFIRMATION ELECTION REQUIRED. If the creation
of the district is not confirmed at a confirmation election held
under Section 9008.024 before September 1, 2007:
(1) the district is dissolved September 1, 2007, except
that:
(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts
shall be transferred to Calhoun County; and
(C) the organization of the district shall be
maintained until all debts are paid and remaining assets are
transferred; and

(2) this chapter expires September 1, 2010.

Added by Acts 2005, 79th Leg., Ch. 467 (S.B. 1891), Sec. 1, eff. June 17, 2005.

Sec. 9008.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose ad valorem taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 467 (S.B. 1891), Sec. 1, eff. June 17, 2005.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9008.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2005, 79th Leg., Ch. 467 (S.B. 1891), Sec. 1, eff. June 17, 2005.

Sec. 9008.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 467 (S.B. 1891), Sec. 1, eff. June 17, 2005.
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 9008.101.  WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES.  The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 467 (S.B. 1891), Sec. 1, eff. June 17, 2005.

Sec. 9008.102.  ROAD PROJECTS.  (a)  To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b)  A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.  If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the county in which the district is located.

(c)  The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.  If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless the county in which the district is located consents by ordinance or resolution.

Added by Acts 2005, 79th Leg., Ch. 467 (S.B. 1891), Sec. 1, eff. June 17, 2005.

Sec. 9008.103.  COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS.  Notwithstanding Section 51.714, Water Code, and subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of a municipality in whose
corporate limits or extraterritorial jurisdiction the district is partly or wholly located.

Added by Acts 2005, 79th Leg., Ch. 467 (S.B. 1891), Sec. 1, eff. June 17, 2005.

Sec. 9008.104. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for a pipeline that serves the district.

Added by Acts 2005, 79th Leg., Ch. 467 (S.B. 1891), Sec. 1, eff. June 17, 2005.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9008.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 9008.201.

Added by Acts 2005, 79th Leg., Ch. 467 (S.B. 1891), Sec. 1, eff. June 17, 2005.

SUBCHAPTER E. BONDS

Sec. 9008.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of projects under Sections 9008.101 and 9008.102.

(b) The district may not issue bonds to finance projects authorized by Section 9008.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 9008.102 may not exceed one-fourth of the assessed value of the real property in the district.

(d) Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 9008.102 or to bonds issued by the district to finance the project.
Sec. 9009.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means Cade Ranch Water Control and Improvement District No. 1 of Galveston County.

Sec. 9009.002. NATURE OF DISTRICT. The district is a water control and improvement district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 9009.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 9009.024 before September 1, 2011:
(1) the district is dissolved September 1, 2011, except that:
   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Galveston County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.
Sec. 9009.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

1. the organization, existence, or validity of the district;
2. the right of the district to impose taxes;
3. the validity of the district's bonds, notes, or indebtedness; or
4. the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 541 (S.B. 1071), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9009.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 541 (S.B. 1071), Sec. 1, eff. September 1, 2007.

Sec. 9009.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 541 (S.B. 1071), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9009.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the
general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, including Section 51.331, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 541 (S.B. 1071), Sec. 1, eff. September 1, 2007.

Sec. 9009.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 541 (S.B. 1071), Sec. 1, eff. September 1, 2007.

Sec. 9009.103. POWERS AND DUTIES FOR NAVIGATION PURPOSES. The district may purchase, construct, acquire, own, operate, maintain, improve, or extend inside and outside the district canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district under Chapters 60 and 62, Water Code, and authorized by Section 59, Article XVI, Texas Constitution.
Sec. 9009.104. DIVISION OF THE DISTRICT. (a) The district may be divided into two new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(c) Any new district created by the division of the district has all the powers and duties of the district.
(d) At the time of creation, any new district created by the division of the district may not contain any land outside the area described by Section 2 of the Act creating this chapter.

Sec. 9009.105. DISSOLUTION OF DISTRICT. Notwithstanding Section 43.071, Local Government Code, or any other general law, prior to December 31, 2017, the district may be dissolved only upon approval of the board of directors of the district and the approval of the governing body of each city or town within whose corporate limits or extraterritorial jurisdiction the district lies.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9009.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 9009.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 541 (S.B. 1071), Sec. 1, eff. September 1, 2007.
SUBCHAPTER E. BONDS

Sec. 9009.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of projects under Sections 9009.101 and 9009.102.

(b) The district may not issue bonds to finance projects authorized by Section 9009.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 9009.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 541 (S.B. 1071), Sec. 1, eff. September 1, 2007.

CHAPTER 9010. BACLIFF MUNICIPAL UTILITY DISTRICT OF GALVESTON COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9010.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Bacliff Municipal Utility District of Galveston County, Texas.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Renumbered from Special District Local Laws Code, Section 9004.001 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 17.001(65), eff. September 1, 2007.

Sec. 9010.002. NATURE OF DISTRICT. The Bacliff Municipal Utility District of Galveston County, Texas, is:
(1) a conservation and reclamation district under Section 59, Article XVI, Texas Constitution; and
(2) a water control and improvement district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Sec. 9010.003. LEGISLATIVE DECLARATION AND FINDINGS. (a) The legislature declares that the district is:
(1) essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and
(2) a municipal corporation.
(b) The legislature finds that:
(1) the district is created to serve a public use and benefit; and
(2) all land and other property included in the district are benefited by the creation of the district and by the improvements that the district purchases, constructs, or otherwise acquires.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Renumbered from Special District Local Laws Code, Section 9004.003 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 17.001(65), eff. September 1, 2007.

Sec. 9010.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 244, Acts of the 58th Legislature, Regular Session, 1963 (Article 8280-286, Vernon's Texas Civil Statutes), as that territory may have been modified under:
(1) Chapter 3A, Title 128, Revised Statutes, before August 30, 1971;
(2) Subchapter O, Chapter 51, Water Code;
(3) Subchapter J, Chapter 49, Water Code; or
(4) other law.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Renumbered from Special District Local Laws Code, Section 9004.004 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 17.001(65), eff. September 1, 2007.
SUBCHAPTER B. POWERS AND DUTIES

Sec. 9010.051. GENERAL POWERS AND DUTIES. The district has all the rights, powers, privileges, and duties conferred and imposed by a general law of this state on a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Renumbered from Special District Local Laws Code, Section 9004.051 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 17.001(65), eff. September 1, 2007.

Sec. 9010.052. TAX METHOD. (a) The board shall use the ad valorem plan of taxation.
(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Renumbered from Special District Local Laws Code, Section 9004.052 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 17.001(65), eff. September 1, 2007.

Sec. 9010.053. LIMITATION ON EMINENT DOMAIN AUTHORITY. The district may not exercise the power of eminent domain outside the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Renumbered from Special District Local Laws Code, Section 9004.053 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 17.001(65), eff. September 1, 2007.

Sec. 9010.054. DURATION OF CONTRACT FOR WATER PURCHASE OR SALE. A district contract for the purchase or sale of water may not exceed 40 years.
Sec. 9010.055. INSTALLATION OF STREET LIGHTS. (a) On approval by a majority of the voters of the district voting at an election held for that purpose, the district may:

(1) install, operate, and maintain street lighting in a public utility easement or public right-of-way inside the district; and

(2) assess the cost of the installation, operation, and maintenance of the street lighting as an additional charge in the monthly billings of the district's customers.

(b) The district may not use money from taxes or bonds supported by taxes for a purpose described by this section.

(c) This section does not authorize the district to install, operate, or maintain street lighting on a right-of-way that is part of the designated state highway system.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.08, eff. April 1, 2007.
Renumbered from Special District Local Laws Code, Section 9004.054 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 17.001(65), eff. September 1, 2007.
Sec. 9011.002. NATURE OF DISTRICT. The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.003. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land included in the district will benefit.
(c) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and the improvement of their property and industries. The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT TERRITORY

Sec. 9011.051. DISTRICT TERRITORY. The district is composed of the territory described by Section 2, Chapter 506, Acts of the 54th Legislature, Regular Session, 1955 (Article 8280-182, Vernon's Texas Civil Statutes), as that territory may have been modified under:
(1) this subchapter or its predecessor statutes; or
(2) other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.052. ANNEXATION OF TERRITORY BY LANDOWNER PETITION. As provided by this subchapter, the district may annex territory by petition of the owners of land or a portion of the land requested to be annexed.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Sec. 9011.053. PETITION REQUIREMENTS. (a) A petition to the board to annex land must:

(1) request that the district annex the land;
(2) describe by metes and bounds the land proposed to be annexed;

(3) affirmatively state that:
   (A) the land annexed is subject to its proportionate part of the outstanding debt;
   (B) the land will be subject to taxation for payment of that debt;
   (C) the assumption of the proportionate debt will be a covenant running with the land; and
   (D) the petition will be filed in the deed records of Bell County; and

(4) be signed:
   (A) by a majority of the owners of the land to be annexed if the number of owners is 30 or fewer; or
   (B) by 30 owners of the land to be annexed if the number of owners is more than 30.

(b) The petition must be filed with the board secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.054. HEARING ON PETITION. The board shall order a hearing on the petition to be held at a time and on a date stated in the order and not before the 30th day after the date of the order.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.055. NOTICE OF HEARING. (a) The board secretary shall:

(1) issue notice of the hearing that includes:
   (A) the time and place of the hearing; and
   (B) a description of the territory proposed to be annexed; and
(2) post copies of the notice for 15 days before the date of the hearing in:
   (A) three public places in the district; and
   (B) one public place in the territory proposed to be annexed.
(b) The notice must be published in a newspaper of general circulation in the county one time at least 15 days before the date of the hearing.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.056. BOARD ANNEXATION OF TERRITORY. (a) The board by resolution may annex the proposed territory to the district if the board finds as a result of the hearing that the annexation:
   (1) is to the advantage of the district; and
   (2) will not injure other land of the district.
(b) If on hearing the petition a change to the proposed annexation is found necessary or desirable, the annexation may include less than all of the territory described in the petition.
(c) The resolution authorizing the annexation must be recorded in the board minutes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.057. RATIFICATION ELECTION; LIMITATION ON ASSUMPTION OF DEBT OR TAXES. (a) The annexation of territory under this subchapter is not final until ratified by:
   (1) a majority of the voters voting at a separate election held in the district; and
   (2) a majority of the voters voting at a separate election held in the territory to be annexed.
(b) If the district has outstanding debts or taxes, the proposition for the territory's assumption of its proportion of the debts or taxes on annexation shall be submitted at the same time and at the same election.
(c) The manner of holding the election, the election notice, and the manner and time of giving notice of the election under this
section are governed by Chapters 49 and 51, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.058. ANNEXED TERRITORY'S RESPONSIBILITY FOR DISTRICT DEBT OR TAXES. The annexed territory shall bear the territory's proportionate share of all debt or taxes owed, contracted, or authorized by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.059. ANNEXATION OF TERRITORY IN A MUNICIPALITY. The district may annex territory inside a municipality's boundaries.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 9011.101. COMPOSITION OF BOARD. The board consists of five elected directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.102. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed a director unless the person resides in Bell County and owns taxable property in the district.

(b) A person may not serve as a director if the person is:
    (1) a member of a governing body of a county or municipality; or
    (2) an employee of a county or municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Sec. 9011.103. DIRECTORS' ELECTION. (a) Except as provided by this subchapter, a directors' election is held in accordance with Chapters 49 and 51, Water Code, and the Election Code.

(b) The election order must state the time, place, and purpose of the election.

(c) Notice of a directors' election must be published in a newspaper of general circulation in the district's territory one time at least 30 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.104. BALLOT PETITION. (a) A person who wants to have the person's name printed on the ballot as a candidate for director must present to the board secretary a petition requesting that action.

(b) The petition must be:

(1) signed by at least 10 residents of the district who are registered voters; and

(2) presented to the secretary not later than the 11th day before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.085, eff. September 1, 2009.

Sec. 9011.105. APPOINTMENT OF SECRETARY AND TREASURER. The board shall appoint a secretary and a treasurer who are not required to be directors. The board may combine the offices of secretary and treasurer.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.106. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director.
Sec. 9011.107. DIRECTOR'S AND TREASURER'S BOND. (a) A director shall give bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The treasurer shall give bond in the amount required by the board. The treasurer's bond shall be conditioned on the treasurer's faithfully accounting for all money that comes into the treasurer's custody as treasurer.

Sec. 9011.108. COMPENSATION. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director is entitled to receive a fee of not more than $25 a day for each day the director spends performing duties as a director. The fees for each director for any one month may not exceed $100.

Sec. 9011.151. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has all powers conferred by the general laws of this state relating to water control and improvement districts, including Chapters 49 and 51, Water Code, except powers that:

(1) conflict with this chapter; or
(2) relate to the annexation and exclusion of territory.

Sec. 9011.152. WATER SUPPLY AND DISTRIBUTION; ACQUISITION OF LAND RIGHTS. (a) The district may acquire or develop water,
including groundwater, and sources of water.

(b) The district may acquire or construct all works, plants, or other facilities or equipment necessary or useful to:

(1) store or process the water; and
(2) transport and distribute the water for municipal, domestic, farm, or industrial purposes.

(c) The board may make an agreement or contract with any organized district, municipality, person, public agency, or state or the federal government for the district to:

(1) acquire water, groundwater, or sources of water;
(2) store, process, transport, and distribute the water; and
(3) perform any other act necessary to carry out the powers of the district or accomplish a purpose of this chapter.

(d) An existing municipality or district may contract with the district for the purposes stated in this section.

(e) The district may acquire all the land, easements, and rights-of-way necessary to carry out the powers of the district or the purposes of this chapter.

(f) The district may exercise the powers under this section inside or outside the district's boundaries but only in Bell County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.153. EMINENT DOMAIN. (a) In Bell County only, the district may exercise the power of eminent domain to acquire land, easements, or rights-of-way to carry out any power conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The board shall determine the amount of and character of interest in land or easements to be acquired.

(d) In exercising the power of eminent domain against a person that has the power of eminent domain or a receiver or trustee for that person, the district may acquire an easement only but may not acquire the fee title.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Sec. 9011.154. COST OF RELOCATING OR ALTERING PROPERTY. If the
district's exercise of the power of eminent domain, the power of
relocation, or any other power granted under this chapter makes
necessary the relocating, raising, rerouting, changing the grade, or
altering the construction of any highway, railroad, electric
transmission line, communication property and facility, or pipeline,
the action shall be accomplished at the sole expense of the district.
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12,
eff. April 1, 2009.

Sec. 9011.155. AWARD OF CERTAIN CONSTRUCTION OR PURCHASE
CONTRACTS. (a) This section applies only to a construction contract
or contract for the purchase of materials, equipment, or supplies
requiring an expenditure of more than $2,000.
(b) This section does not apply to the purchase of a system or
part of a system in existence at the time of the purchase.
(c) The district shall award a contract to the lowest and best
bidder only after notice of the contract to bidders is published once
at least 10 days before the date the contract is awarded. The notice
must be printed in a newspaper of general circulation in the district
that is designated by the board.
(d) The notice is sufficient if it states:
(1) the time and place for opening the bids;
(2) the general nature of the work to be done or the
material, equipment, or supplies to be purchased; and
(3) the place where and the terms on which copies of the
plans and specifications may be obtained.
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12,
eff. April 1, 2009.

Sec. 9011.156. CONTRACTS REGARDING WATER OR SEWER FACILITIES.
(a) The district may contract with a municipality, an organized
district, or another person to supply water to that person.
(b) The district may contract with a municipality, an organized
district, or another person to rent, lease, or operate the water
production, water supply and water supply facilities, or sanitary and storm sewer facilities of that person.

(c) The parties to the contract may agree on the contract terms including the consideration and the duration of the contract.

(d) The contract may provide that it will continue in effect until bonds specified in it and refunding bonds issued in lieu of those bonds are paid.

(e) A power granted by this section does not apply outside Bell County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.157. CONTRACTS AND COOPERATION WITH MUNICIPALITY INSIDE DISTRICT. (a) The district territory described by the law codified by this chapter intentionally overlaps the territory of an existing municipality. The board may contract or cooperate with the municipality on matters that come within the purposes for which the district is organized or in aid of those purposes.

(b) The municipality may contract with the district for the purposes stated in this section or in aid of those purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.158. PROHIBITED AGREEMENTS. (a) The district may not enter into a contract or agreement that requires the district or the people in the district to lose ownership of or control over the use of any district property, real, personal, or mixed, after payment of all outstanding legal obligations of the district, including bonds and refunding bonds.

(b) A contract or agreement prohibited by this section, if entered into by the board, is void.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Sec. 9011.201. DEPOSITORY. (a) The board shall designate one or more banks to serve as depository for the district's money.

(b) District money shall be deposited with a designated depository bank, except that:

(1) money pledged to pay bonds may be deposited with the trustee bank named in the trust indenture; and

(2) money shall be remitted to the bank of payment for the payment of principal of and interest on bonds.

(c) To the extent that money in a depository bank or the trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the board of an officer or director of a bank does not disqualify the bank from being designated as a depository.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.202. IMPOSITION OF AD VALOREM TAXES. A tax imposed by the district must be an ad valorem tax, including a tax to:

(1) pay off bonds for preliminary surveys and investigation or to provide funds for conducting preliminary surveys, if no construction bonds are to be issued; and

(2) pay the principal and interest and other costs that may be paid from taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.203. TAX ASSESSOR AND COLLECTOR. (a) The board shall appoint a tax assessor and collector.

(b) The board may appoint deputies to assist the tax assessor and collector by an order stating the manner and period of assistance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Sec. 9011.204. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION. The district is not required to pay a tax or assessment on a project or any part of a project.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

SUBCHAPTER F. BONDS

Sec. 9011.251. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds to carry out any purpose of this chapter and to:

(1) provide a water system, as authorized by this chapter, for municipal, domestic, and industrial purposes;
(2) pay fees of an attorney, engineer, or fiscal agent;
(3) pay the cost of printing and issuing bonds; and
(4) exercise any other power conferred by this chapter.

(b) The bonds must be authorized by a board resolution.

(c) Bonds issued by the district must be payable by a pledge of:

(1) revenue;
(2) ad valorem taxes imposed on all taxable property in the district; or
(3) both revenue and ad valorem taxes.

(d) The pledge must be in a resolution or trust indenture adopted or authorized by the board.

(e) A bond issuance payable wholly or partly from ad valorem taxes is subject to the conditions prescribed by this subchapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.252. FORM OF BONDS. A district bond must be:

(1) issued in the district's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Sec. 9011.253. MATURITY. District bonds must mature not later than 40 years after their date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a majority of the district voters voting at an election.

(b) The board may order an election under this section without a petition. The order must specify:

1. the time and place at which the election will be held;
2. the purpose for which the bonds will be issued;
3. the maximum amount of the bonds;
4. the maximum maturity of the bonds;
5. the form of the ballot; and
6. the presiding judge for each voting place.

(c) Notice of the election must be published:

1. at least once in a newspaper published or having general circulation in the district; and
2. at least 14 days before the date of the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.255. BONDS PAYABLE FROM REVENUE. (a) In this section, "net revenue" means the gross revenue of the district less the amount necessary to pay the cost of maintaining and operating the district and its property.

(b) Bonds issued under this subchapter may be secured under board resolution by a pledge of:

1. all or part of the net revenue of the district;
2. the net revenue of one or more contracts made before or after the issuance of the bonds; or
3. other revenue specified by resolution of the board.

(c) The pledge may reserve the right to issue additional bonds on a parity with, or subordinate to, the bond being issued, subject to the conditions specified in the pledge.
Sec. 9011.256. TAX AND RATE REQUIREMENTS. (a) If the district issues bonds payable wholly or partly from ad valorem taxes, the board shall impose a tax sufficient to pay the bonds and the interest on the bonds as the bonds and interest become due. The board may adopt the rate of the tax after considering the money received from pledged revenue available for payment of principal and interest to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.

(b) If the district issues bonds payable wholly or partly from revenue, the board shall set and revise the rates of compensation for the use of the systems and services rendered by the district.

(c) For bonds payable wholly from revenue, the rates of compensation must be sufficient to:
   (1) pay the expense of operating and maintaining the facilities of the district;
   (2) pay the bonds as they mature and the interest as it accrues; and
   (3) maintain the reserve and other funds as provided by the resolution authorizing the issuance of the bonds or the trust indenture.

(d) For bonds payable partly from revenue, the rates of compensation must be sufficient to assure compliance with the resolution authorizing the issuance of the bonds or with the trust indenture.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
(2) take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust:

(1) is the owner of the property and facilities purchased; and

(2) is entitled to maintain and operate the property and facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.258. TRUST INDENTURE OR DEED OF TRUST. (a) A deed of trust lien conferred on the physical property may be combined with the trust indenture authorized by this chapter.

(b) The trust indenture or deed of trust may provide for:

(1) the security of the bonds and the operation and preservation of the trust estate in the manner prescribed by the board;

(2) amendment or modification of the trust indenture or deed of trust; and

(3) the issuance of bonds to replace lost or mutilated bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.259. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of bonds issued under this subchapter for the payment of:

(1) interest to accrue during two years after the purchase of a system or expected to accrue during construction and two years after construction; and

(2) a reserve interest and sinking fund.

(b) The resolution authorizing the bonds or a trust indenture may provide for setting aside amounts under Subsection (a).

(c) The district may use proceeds from the sale of the bonds to pay an expense incurred in accomplishing the purposes of the district, including:

(1) the fees of attorneys, engineers, or fiscal agents; and

(2) the cost of printing and issuing the bonds.
Sec. 9011.260. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on bonds issued under this subchapter and payable wholly or partly from revenue, a court may, on petition of the holders of 25 percent of the outstanding bonds, appoint a receiver.

(b) The receiver may collect and receive all district income, employ and discharge district agents and employees, take charge of money on hand, and manage the affairs of the district without consent or hindrance by the board.

(c) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.261. REFUNDING BONDS. (a) The district may issue refunding bonds without an election to refund outstanding bonds issued under this subchapter and interest on those bonds.

(b) Refunding bonds may:

(1) be issued to refund bonds of more than one series;

(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or

(3) be secured by a pledge of other or additional revenue.

(c) The provisions of this subchapter regarding the issuance of other bonds and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding
bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9011.262. BONDS EXEMPT FROM TAXATION. A bond issued under this subchapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

CHAPTER 9012. CROSBY MUNICIPAL UTILITY DISTRICT OF HARRIS COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9012.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "District" means the Crosby Municipal Utility District of Harris County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9012.002. NATURE OF DISTRICT. The district is:
(1) a conservation and reclamation district under Section 59, Article XVI, Texas Constitution;
(2) a water control and improvement district; and
(3) a municipal corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9012.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property in the district will benefit
from the creation of the district and the improvements the district will purchase, construct, or otherwise acquire.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT TERRITORY AND EXCLUSIONS FROM DISTRICT TERRITORY

Sec. 9012.051. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 554, Acts of the 59th Legislature, Regular Session, 1965 (Article 8280-315, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) former Section 5, Chapter 554, Acts of the 59th Legislature, Regular Session, 1965 (Article 8280-315, Vernon's Texas Civil Statutes); or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue bonds or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9012.052. EXCLUDING TERRITORY FROM THE DISTRICT. (a) The board may exclude territory from the district before voting any bonds or taxes in and for the district.

(b) The board shall give notice of its intention to hold a hearing on the question of excluding territory from the district. The
notice must:

(1) specify the date and place of the hearing; and
(2) describe by metes and bounds the territory proposed to be excluded.

(c) The notice must be published at least once in a newspaper of general circulation in Harris County. The first publication of the notice must be at least 10 days before the date set for the hearing.

(d) The board by order may exclude the territory from the district if at the hearing the board finds that the proposed exclusion of territory is advantageous to the district and to the territory to be excluded. In the order, the board shall also redefine the boundaries of the district to embrace all land not excluded. The territory is no longer a part of the district.

(e) The order authorizing the exclusion must be recorded in the board minutes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9012.053. HEARINGS FOR EXCLUSION OF TERRITORY. (a) The board is not required to call or hold a hearing on the exclusion of land or other property from the district.

(b) This section may not be construed to prevent the board on its own motion from calling and holding an exclusion hearing under general law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 9012.101. COMPOSITION OF BOARD. The board is composed of five directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

SUBCHAPTER D. POWERS AND DUTIES
Sec. 9012.151. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9012.152. ACQUISITION OF IMPROVEMENTS. The district may make, construct, or otherwise acquire improvements inside or outside the district that are necessary or convenient to carry out a power granted to the district under this chapter or a general law described by Section 9012.151.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9012.153. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, or changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power conferred by this chapter makes necessary the relocation, raising, rerouting, changing the grade, or alteration of the construction of a highway, a railroad, an electric transmission line, or a telephone or telegraph property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

Sec. 9012.154. LIMIT ON EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain outside the district.
Sec. 9012.155. DURATION OF CONTRACT FOR WATER PURCHASE OR SALE. A district contract for the purchase or sale of water may not exceed 40 years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 9012.201. TAX METHOD. (a) The district shall use the ad valorem basis or plan of taxation.
(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.

CHAPTER 9013. BELL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 6

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9013.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Bell County Water Control and Improvement District No. 6.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Bell County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.
Sec. 9013.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.004. APPLICABILITY OF WATER CONTROL AND IMPROVEMENT DISTRICTS LAW. Except as provided in this chapter, general laws pertaining to water control and improvement districts govern the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT TERRITORY

Sec. 9013.051. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 18, Acts of the 55th Legislature, 1st Called Session, 1957, as amended by Section 1, Chapter 300, Acts of the 57th Legislature, Regular Session, 1961, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue bonds or to pay the
principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.052. HEARINGS FOR EXCLUSION OF TERRITORY. A hearing may not be held to determine whether to exclude property included in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 9013.101. COMPOSITION OF BOARD. The board consists of six elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.102. ELIGIBILITY. (a) Each director of the district must:
(1) be a landowner within the district; and
(2) reside in Bell County.
(b) A director who fails to meet the requirements of this section during the director's tenure in office shall vacate that office.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.103. DIRECTOR'S BOND. Each director shall give a bond in the amount of $1,000 for the faithful performance of the director's duties.
Sec. 9013.104. FAILURE TO ELECT DIRECTORS. Failure to call a director election does not affect the legal status of the district, the board, a director, or the right of the board to act or function, and the directors continue to serve as provided by Section 17, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.151. GENERAL POWERS. The district may exercise the rights, privileges, and functions provided by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.152. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. To accomplish a purpose for which the district is created, the district has the powers conferred by the general laws of this state on water control and improvement districts, including the power to:

(1) construct, acquire, improve, maintain, and repair a dam or other structure; and

(2) acquire land, easements, equipment, or other property needed to use, control, and distribute water that may be impounded, diverted, or controlled by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.153. CONTROL OF WATER AND FLOODWATER; RECLAMATION. The district has the power to:

(1) control, store, preserve, and distribute the water and floodwater in the district for the irrigation of arid land, conservation, preservation, reclamation, and drainage of the lands in...
(2) carry out flood prevention measures to prevent damage to the property in the district; and
(3) reclaim lands heretofore damaged because of the failure to provide the facilities authorized to be constructed under this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.154. STRUCTURES AND FACILITIES. The district may acquire, construct, improve, repair, maintain, and operate a structure or facility inside or outside the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.155. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter makes necessary the relocating, raising, rerouting, changing the grade, or altering the construction of a highway, a railroad, an electric transmission line, a telephone or telegraph property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 9013.201. TAX METHOD. Subject to Section 9013.202, the district shall use an ad valorem plan of taxation, and the taxes imposed by the district shall be on an ad valorem basis.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.
Sec. 9013.202. HEARING ON CHANGE IN METHOD OF TAXATION; LIMITATION. (a) Except as provided by Subsection (b), the district may call a hearing to consider changing the method of taxation.

(b) Once district bonds are approved by the attorney general or district court, the district may not change its plan of taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.203. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION. The district is not required to pay a tax or assessment on a project or any part of a project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.204. MAINTENANCE TAX ELECTION PROCEDURES. (a) A maintenance tax election shall be called and notice given in the same manner as for a bond election.

(b) This chapter does not prevent the calling of a later maintenance tax election to establish or increase the amount of tax if the board determines that a maintenance tax election is required.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.205. MAINTENANCE TAX RATE. In calling a maintenance tax election, the board must specify the maximum proposed tax rate. To impose a maintenance tax at a rate that exceeds the maximum proposed rate approved by the voters, the board must submit the question of a tax rate increase to the voters.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.206. USE OF MAINTENANCE TAX PROCEEDS. (a) The district may spend maintenance tax proceeds for:
an easement or right-of-way; any purpose for which a district may spend bond proceeds; and
maintenance and operation purposes.
(b) The district may place surplus maintenance tax proceeds not needed for maintenance purposes into the sinking funds for outstanding district bonds.
(c) The board's determination to spend maintenance tax proceeds is final and is not subject to judicial review, except on the grounds of fraud, palpable error, or gross abuse of discretion.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.207. APPROVAL OF AND FUNDING FOR CERTAIN PLANS FOR WORKS AND IMPROVEMENTS. (a) In this section, "commission" means the Texas Commission on Environmental Quality.
(b) This section applies only to plans contemplated by the district for works and improvements, or amendments to the plans, that are prepared by the Natural Resources Conservation Service of the United States Department of Agriculture and approved by the district directors.
(c) An engineer's report covering the plans and improvements to be constructed, and the maps, plats, profiles, and data fully showing and explaining the plans and improvements, are not required to be filed in the district office before an election is held to authorize the issuance of bonds for the works and improvements. The plans and specifications, engineering reports, profiles, maps, and other data, and subsequent amendments to those items, are not required to be approved by the commission before the bonds are issued.
(d) Before the district may spend any funds for the construction of any works and improvements, the commission must approve the portion of the works and improvements to be constructed. The commission's advance approval for the entire project contemplated by the district is not required. The commission may approve on a separate basis the portion of the entire project or works and improvements:
(1) to be constructed at a particular time; and
(2) on which plans and specifications of the Natural
Resources Conservation Service have been prepared and submitted by the district to the commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

**SUBCHAPTER F. BONDS**

Sec. 9013.251. ISSUANCE OF BONDS. To accomplish a district purpose, the district may issue bonds as provided by general law for water control and improvement districts to obtain money necessary to furnish land or easements or permanent improvements on the land or easements.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.252. FAILED BOND ELECTION. (a) A general law, including Sections 51.781-51.791, Water Code, that provides for calling a hearing on the dissolution of a district after a failed district bond election does not apply to the district.

(b) The district continues to exist and retain its full power to function and operate regardless of the outcome of a bond election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9013.253. BONDS EXEMPT FROM TAXATION. A bond issued under this chapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

For contingent expiration of this chapter, see Section 9014.003.

CHAPTER 9014. MOORE FARM WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 OF KAUFMAN COUNTY
Sec. 9014.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Moore Farm Water Control and Improvement District No. 1 of Kaufman County.

Added by Acts 2007, 80th Leg., R.S., Ch. 503 (S.B. 401), Sec. 1, eff. September 1, 2007.

Sec. 9014.002. NATURE OF DISTRICT. The district is a water control and improvement district in Kaufman County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 503 (S.B. 401), Sec. 1, eff. September 1, 2007.

Sec. 9014.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 9014.024 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Kaufman County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 503 (S.B. 401), Sec. 1, eff. September 1, 2007.

Sec. 9014.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 503 (S.B. 401), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 9014.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 503 (S.B. 401), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 9014.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 503 (S.B. 401), Sec. 1, eff. September 1, 2007.

Sec. 9014.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.
(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances or orders of:
(1) each municipality in whose corporate limits or extraterritorial jurisdiction the district is located; and 
(2) each county in which the district is located.

(c) The district may not undertake a road project unless:
(1) each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution; and 
(2) each county in which the district is located consents by order or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 503 (S.B. 401), Sec. 1, eff. September 1, 2007.

Sec. 9014.103. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district: 
(1) has no outstanding bonded debt; and 
(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code. Sections 51.748 through 51.753, Water Code, do not apply to the district.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 503 (S.B. 401), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9014.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 9014.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 503 (S.B. 401), Sec. 1, eff. September 1, 2007.
SUBCHAPTER E. BONDS

Sec. 9014.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of a project under Section 9014.101 or 9014.102.
(b) The district may not issue bonds or other obligations to finance projects authorized by Section 9014.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.
(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 9014.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 503 (S.B. 401), Sec. 1, eff. September 1, 2007.

CHAPTER 9015. ALICE WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9015.001. DEFINITIONS. In this chapter:
(1) "Authority" means the Alice Water Authority.
(2) "Board" means the board of directors of the authority.
(3) "City" means the City of Alice.
(4) "Corpus Christi" means the City of Corpus Christi.
(5) "Director" means a member of the board.
(6) "Nueces district" means the Lower Nueces Water Supply District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.001 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.002. NATURE OF AUTHORITY. (a) The authority is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.
(b) The authority is an agency of this state.
Sec. 9015.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All territory and taxable property in the authority will benefit from the works and improvements of the authority.  
(b) The accomplishment of the purposes stated in this chapter, including the use, for municipal and industrial purposes, of stored water that otherwise would be wasted into the Gulf, is for the benefit of the people of this state and for the improvement of their property and industries.  
(c) In carrying out the purposes of this chapter, the authority will be performing an essential public function under the constitution.

Sec. 9015.004. CONSTRUCTION OF CHAPTER. This chapter may not be interpreted as amending or repealing Section 11.024, Water Code, which provides for priorities for the use of water.

SUBCHAPTER B. AUTHORITY TERRITORY AND ANNEXATIONS TO AUTHORITY TERRITORY

Sec. 9015.051. AUTHORITY TERRITORY. The authority is composed of the territory that was contained in the city on January 1, 1981,
as that territory may have been modified under:
   (1) Subchapter J, Chapter 49, Water Code;
   (2) Section 5, Chapter 12, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 8280-270, Vernon's Texas Civil Statutes);
   (3) Section 9015.052; or
   (4) other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.051 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.002(30), eff. September 1, 2009.

Sec. 9015.052. ANNEXATION OF CITY TERRITORY. (a) Territory annexed to the city may be annexed to the authority as provided by this section.
   (b) At any time after final passage of an ordinance annexing territory to the city, the board may issue a notice of hearing on the question of annexing all or part of the territory annexed to the city.
   (c) The notice is sufficient if it:
      (1) states the date and place of the hearing; and
      (2) describes the area proposed to be annexed or refers to the annexation ordinance of the city.
   (d) The notice must be published one time in a newspaper of general circulation in the city not later than the 10th day before the date set for the hearing.
   (e) The board shall adopt a resolution annexing the territory to the authority if, after the hearing, the board finds that the territory proposed to be annexed will benefit from the water supplied or to be supplied by the authority.
   (f) After the territory is annexed to the authority, the board may hold an election in the authority as enlarged to determine whether the authority as enlarged shall:
      (1) assume any tax-supported bonds that are outstanding or voted but not yet sold; and
      (2) impose an ad valorem tax on all taxable property in the authority as enlarged for the payment of those bonds.
(g) An election held under Subsection (f) shall be held in the same manner as an election under Section 9015.354 for the issuance of bonds payable wholly or partly from taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.052 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.
Amended by:
   Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.002(31), eff. September 1, 2009.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 9015.101. COMPOSITION OF BOARD; TERMS. The board consists of five directors who serve staggered two-year terms expiring January 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.101 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.102. APPOINTMENT OF DIRECTORS. Each December the governing body of the city shall appoint a director to succeed each director whose term expires on the following January 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.102 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.103. QUALIFICATIONS FOR OFFICE. (a) A director must reside in and own taxable property in the authority.
   (b) A member of the city's governing body or an employee of the city may not be appointed as a director.
Sec. 9015.104. VACANCY. If a director ceases to reside in the authority or otherwise ceases to serve as a director, the governing body of the city shall appoint a successor to fill the vacancy for the unexpired term.

Sec. 9015.105. APPOINTMENT OF SECRETARY AND TREASURER. The board shall appoint a secretary and a treasurer, who are not required to be directors. The board may combine the offices of secretary and treasurer.

Sec. 9015.106. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director. The vice president may not exercise the president's right to vote.
Sec. 9015.107. DIRECTOR'S AND TREASURER'S BOND. (a) Each director shall give bond in the amount of $5,000 conditioned on the faithful performance of the director's duties.

(b) The treasurer shall give bond in the amount required by the board. The treasurer's bond shall be conditioned on the treasurer's faithful accounting for all money that comes into the treasurer's custody as treasurer of the authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.107 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.108. COMPENSATION. Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director:

(1) shall receive a fee for attending each meeting of the board not to exceed $20 for a meeting or $40 in one calendar month; and

(2) is entitled to an additional amount not to exceed $20 for each day that the director devotes to serving the business of the authority if the service is expressly approved by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.108 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.109. MANAGER. The board shall employ a manager.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.109 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.
Sec. 9015.151.  ACQUISITION AND USE OF WATER FROM CORPUS CHRISTI.  (a) The authority may acquire from Corpus Christi untreated water supplied from Lake Corpus Christi, subject to a contract between the authority and Corpus Christi that is approved by the Nueces district or under a contract assigned to the authority.

(b) The authority may procure water under Subsection (a) only if the water is "surplus" to the requirements of Corpus Christi as defined in a contract between Corpus Christi and the Nueces district.

(c) The authority may use water procured under Subsection (a) as a source of water supply for the city if the right of the city to execute a contract prescribing the obligations of the city and the authority is approved by the voters of the city in compliance with Section 402.020, Local Government Code.

(d) The authority may contract with Corpus Christi or the Nueces district, or both, in reference to the authority's duty or option to participate in the cost of any future enlargement of Lake Corpus Christi and for a commensurate share of the increased water yield.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.151 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.152.  WATER FACILITIES.  (a) The authority may acquire or construct, inside or outside the authority:

1. a diversion works;
2. wells;
3. pumps;
4. pumping stations;
5. pipelines;
6. intermediate and terminal storage reservoirs;
7. a water treatment plant; and
8. any other related facility necessary or useful in diverting, impounding, drilling, storing, or treating water, or in transporting treated or untreated water to the city for municipal, domestic, agricultural, industrial, or any other purpose.
(b) A diversion works may be constructed to take water from Lake Corpus Christi through intake or otherwise or from the Nueces River below Lake Corpus Christi.

(c) The specifications in this section of certain elements of the authority's proposed water supply, treatment, and transportation system do not preclude the authority from constructing any facility necessary or convenient in enabling the authority to deliver treated or untreated water to the city.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.152 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.153. REGIONAL WASTE DISPOSAL. The authority may exercise the powers granted by Chapter 30, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.153 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.154. APPROPRIATION PERMITS. The authority may:
(1) obtain an appropriation permit from the Texas Commission on Environmental Quality as provided by Section 12.011, Water Code; or
(2) participate with Corpus Christi or the Nueces district in obtaining a required appropriation permit.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.154 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.155. ACQUISITION OF PROPERTY. (a) To exercise a
right or perform a duty under this chapter, the authority may acquire:

(1) works, machinery, plants, or other facilities; and
(2) land, rights-of-way, or easements.

(b) Subject to the terms of a deed of trust or indenture executed by the authority, the authority may sell, trade, lease, rent, or otherwise dispose of any property the board considers not needed for authority purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.155 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.156. GENERAL CONTRACT POWERS. The authority may contract with the city, a public agency, a political subdivision, this state, the United States, or another person for the purchase or sale of water or any other purpose necessary to carry out this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.156 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.157. AWARD OF CERTAIN CONSTRUCTION CONTRACTS. (a) This section applies only to a construction contract requiring an expenditure of more than $2,000.

(b) A contract may be awarded only after notice of the contract to bidders for sealed bids is published once a week for two weeks in a newspaper of general circulation in the authority that is designated or approved by the board.

(c) The notice is sufficient if it states:
(1) the time and place for opening the bids;
(2) the general nature of the work to be done or the material, equipment, or supplies to be purchased; and
(3) the place where and the terms on which copies of the
plans and specifications may be obtained.

(d) The bids must be opened publicly.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.157 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.158. ASSIGNMENT OF CONTRACT RIGHTS. (a) The authority may acquire by assignment any right of the city under a contract between the city and Corpus Christi in reference to such water supply.

(b) If the assignment is accepted, the authority shall assume the city's obligations under the contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.158 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

SUBCHAPTER E. EMINENT DOMAIN AND RELATED POWERS

Sec. 9015.201. EMINENT DOMAIN IN JIM WELLS COUNTY. (a) The authority may exercise the power of eminent domain in Jim Wells County to acquire fee simple title to, an easement or right-of-way in or on, or other interest in land or other property inside or outside the authority, necessary to the exercise of the authority's powers, rights, privileges, and functions under this chapter.

(b) The authority may acquire a property interest under Subsection (a) in the manner provided by Chapter 21, Property Code, or in the manner provided by a statute relating to condemnation by a general law district created under Section 59, Article XVI, Texas Constitution.

(c) The authority is a municipal corporation for the purposes of Section 21.021, Property Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Sec. 9015.202. EMINENT DOMAIN IN NUECES COUNTY. (a) Except as provided by this section, the authority has the same power of eminent domain in Nueces County as it has in Jim Wells County.

(b) The power is strictly limited to an acquisition necessary to acquire:

(1) an easement or right-of-way necessary to build a pipeline from the city to a point on the Nueces River from which water will be obtained from Corpus Christi under a contract;

(2) fee simple title to any land reasonably necessary for the erection of a pumping station or stations near the pipeline to be built under Subdivision (1); or

(3) land or an interest in land located inside or outside the authority on which to place reservoirs, works, wells, plants, transmission lines, or other facilities necessary or helpful in impounding, storing, or treating water or in transporting water to the city or to others for municipal, domestic, agricultural, commercial, or other purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.202 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.203. DETERMINATION OF INTEREST TO BE ACQUIRED. The board shall determine the amount and character of interest in land, easements, or other property to be acquired under this subchapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.203 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.
Sec. 9015.204. SURVEYS. The authority has the same rights and powers to make surveys and attend to other business of the authority in Jim Wells and Nueces Counties as provided by Section 49.221, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.204 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.205. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, the term "sole expense" means the actual cost of the relocation, raising, lowering, rerouting, or change in grade or alteration of construction under Subsection (b) to provide a comparable replacement without enhancing the facility, after deducting the net salvage value derived from the old facility.

(b) If the authority's exercise of eminent domain, relocation, or another power conferred by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of any highway, railroad, electric transmission line, telephone or telegraph property and facility, or pipeline, the action shall be accomplished at the sole expense of the authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.205 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

SUBCHAPTER F. REGULATORY POWERS

Sec. 9015.251. ADOPTION OF RULES. The board may adopt reasonable rules to:

(1) secure, maintain, and preserve the sanitary condition of water in and water that flows into any intermediate or terminal reservoir owned by the authority;

(2) prevent waste of or the unauthorized use of water; and

(3) regulate resident, hunting, fishing, boating, camping, and any other recreational or business privilege along or around any
reservoir, body of land, or easement owned by the authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.251 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.252. ENFORCEMENT OF RULES; PENALTY. (a) The authority by rule may prescribe reasonable penalties for the violation of an authority rule.

(b) A penalty may consist of:

(1) a fine not to exceed $200;

(2) confinement in jail for a term not to exceed 30 days;

or

(3) both the fine and confinement.

(c) A penalty adopted under this section is in addition to any other penalty provided by Texas law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.252 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.253. NOTICE OF RULE PROVIDING PENALTY. (a) If the authority adopts a rule that provides a penalty, the authority must publish a substantive statement of the rule and the penalty once a week for two consecutive weeks in each county in which any part of the reservoir to which the rule applies is situated.

(b) The statement must be as condensed as possible so that the act prohibited by the rule can be easily understood.

(c) The statement may include notice of any number of rules.

(d) The notice must state that:

(1) a person who violates the rule is subject to a penalty; and

(2) the rule is on file in the principal office of the authority, where it may be read by any interested person.

(e) A rule takes effect five days after the date of second
publication of the statement under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.253 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.254. JUDICIAL NOTICE OF RULES. A court shall take judicial notice of a rule adopted under this subchapter and published as required by Section 9015.253, and the court shall consider the rule to be similar in nature to a penal ordinance of a municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.254 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.002(32), eff. September 1, 2009.

Sec. 9015.255. ENFORCEMENT BY PEACE OFFICERS. (a) A peace officer may make an arrest when necessary to prevent or abate the commission of an offense:

(1) in violation of an authority rule or a law of this state that occurs or threatens to occur on any land, water, or easement owned or controlled by the authority; or

(2) involving damage to any property owned or controlled by the authority.

(b) A peace officer may make an arrest under Subsection (a)(2) at any location.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.255 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

SUBCHAPTER G. GENERAL FINANCIAL PROVISIONS
Sec. 9015.301. DEPOSITORY. (a) Except as provided by
Subsection (h), the board shall designate one or more banks in the authority to serve as depository for authority money.

(b) Authority money shall be deposited with a designated depository bank, except that:

(1) money pledged to pay bonds may be deposited with the trustee bank named in the trust agreement; and

(2) money shall be remitted to the bank of payment for the payment of principal of and interest on bonds.

(c) To the extent that money in a depository bank or the trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) The board shall prescribe the terms of service for depositories.

(e) Before designating a depository bank, the board shall mail a written notice to each bank in the authority at least 10 days before the date set for receiving bids that:

(1) states the time and place at which the board will meet to designate a depository bank or banks; and

(2) invites each bank in the authority to submit an application to be designated as a depository.

(f) At the time stated in the notice, the board shall:

(1) consider the application and the management and condition of each bank that applies; and

(2) designate as a depository the bank or banks:

(A) that offer the most favorable terms for the handling of the money; and

(B) that the board finds have proper management and are in condition to handle the money.

(g) Membership on the board of an officer or director of a bank does not disqualify the bank from being designated as a depository.

(h) If the board does not receive any applications before the time stated in the notice, the board may designate one or more banks located inside or outside the authority on terms that the board finds advantageous to the authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.301 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff.
Sec. 9015.302. TAX ASSESSOR AND COLLECTOR. The board shall appoint a tax assessor and collector.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.302 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.303. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION. The authority is not required to pay a tax or assessment on a project or any part of a project.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.303 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

SUBCHAPTER H. BONDS

Sec. 9015.351. AUTHORITY TO ISSUE BONDS. The authority may issue bonds to carry out any power conferred by this chapter. The bonds must be authorized by a board resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.351 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.352. FORM OF BONDS. An authority bond must be:

(1) issued in the authority's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.
Sec. 9015.353. MATURITY. Authority bonds must mature not later than 40 years after their date of issuance.

Sec. 9015.354. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a majority of the authority voters voting at an election.

(b) The board may order an election under this section without a petition. The order must specify:

(1) the time and places at which the election will be held;
(2) the purpose for which the bonds will be issued;
(3) the maximum amount of the bonds;
(4) the maximum maturity of the bonds;
(5) the form of the ballot; and
(6) the presiding judge for each voting place.

(c) Notice of the election must be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the authority. The notice must be published on the same day in each of two consecutive weeks. The first publication must be not later than the 14th day before the date of the election. If a newspaper of general circulation is not published in the authority, notice must be given by posting a copy of the resolution in three public places in the authority.
Sec. 9015.355.  BONDS PAYABLE FROM REVENUE.  (a)  In this section, "net revenue" means the gross revenue and income of the authority pledged under this section less the amount necessary to pay the cost of:

(1) performing any contract, the revenue of which is pledged under this section; and

(2) maintaining and operating the authority and its property.

(b)  Bonds issued under this subchapter may be secured under board resolution by a pledge of:

(1) all or part of the net revenue of the authority other than revenue from taxation;

(2) the net revenue of one or more contracts made before or after the issuance of the bonds; or

(3) other revenue or income specified by resolution of the board or in the trust indenture or other instrument securing the bonds.

(c) The pledge may reserve the right to issue additional bonds on a parity with, or subordinate to, the bonds being issued, subject to the conditions specified in the pledge.

(d)  Bonds not payable wholly or partly from ad valorem taxes may be issued without an election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.355 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.356.  BONDS PAYABLE FROM AD VALOREM TAXES.  The authority may issue bonds payable, as pledged by board resolution, from:

(1) ad valorem taxes imposed on taxable property in the authority; or

(2) ad valorem taxes and revenue of the authority.
Sec. 9015.357. TAX AND RATE REQUIREMENTS. (a) If the authority issues bonds payable wholly or partly from ad valorem taxes, the board shall impose a tax sufficient to pay the bonds and the interest on the bonds as the bonds and interest become due. The board may adopt the rate of the tax after considering the money received from the other pledged revenue available for payment of principal and interest to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.

(b) If the authority issues bonds payable wholly or partly from revenue, the board shall set and revise the rates of compensation for water sold and services rendered by the authority.

(c) For bonds payable wholly from revenue, the rates of compensation must be sufficient to:

(1) pay the expense of operating and maintaining the facilities of the authority;

(2) pay the bonds as they mature and the interest as it accrues; and

(3) maintain the reserve and other funds as required in the resolution authorizing the issuance of the bonds or in the trust indenture or other instrument securing the bonds.

(d) For bonds payable partly from revenue, the rates of compensation must be sufficient to assure compliance with the resolution authorizing the issuance of the bonds and any trust indenture or other instrument securing the bonds.

Sec. 9015.358. ADDITIONAL SECURITY. (a) Bonds, including
refunding bonds, authorized by the law that are not payable wholly from ad valorem taxes may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on physical property of the authority, franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee power to:

(1) sell the property for the payment of the debt;
(2) operate the property; and
(3) take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust lien, if one is given:

(1) is the absolute owner of property, facilities, and rights purchased; and
(2) is entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.358 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.359. TRUST INDENTURE. (a) A bond authorized by the law, including a refunding bond, that is not payable wholly from ad valorem taxes may be additionally secured by a trust indenture. The trustee may be a bank with trust powers located inside or outside this state.

(b) A trust indenture, regardless of the existence of the deed of trust or mortgage lien on the property, may:

(1) provide for the security of the bonds and the preservation of the trust estate in the manner prescribed by the board;
(2) provide for amendment or modification of the trust indenture;
(3) provide for the issuance of bonds to replace lost or mutilated bonds;
(4) condition the right to spend authority money or sell authority property on the approval of a licensed engineer selected as provided by the trust indenture; and
(5) provide for the investment of authority money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.359 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.360. INTERIM BONDS OR NOTES. Before issuing definitive bonds, the board may issue interim bonds or notes exchangeable for definitive bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.360 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.361. USE OF BOND PROCEEDS. (a) The authority may set aside an amount of proceeds from the sale of bonds issued under this subchapter for payments into the interest and sinking fund and the reserve fund. The resolution authorizing the bonds or a trust indenture or other instrument securing the bonds may provide for setting aside amounts under this subsection.

(b) The authority may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purpose of the authority, including any expense of issuing and selling the bonds.

(c) The authority may invest proceeds from the sale of the bonds in direct obligations of or obligations unconditionally guaranteed by the United States that mature in the manner authorized by the resolution authorizing the bonds or by the trust indenture or other instrument securing the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.361 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.
Sec. 9015.362. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of principal of or interest on bonds issued under this subchapter that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the authority.

(b) The receiver may collect and receive all authority income except taxes, employ and discharge authority agents and employees, take charge of money on hand, except money received from taxes, unless commingled, and manage the proprietary affairs of the authority without consent or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or to renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.362 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.363. REFUNDING BONDS. (a) The authority may issue refunding bonds to refund outstanding bonds issued under this subchapter and interest on those bonds.

(b) Refunding bonds may:

(1) be issued to refund bonds of more than one series;
(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or
(3) be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender
and cancellation of the bonds to be refunded, the authority, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.363 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.364. LIMITATION ON RIGHTS OF HOLDERS. The resolution authorizing the bonds or the trust indenture or other instrument securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the authority's property or income.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.364 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Sec. 9015.365. BONDS EXEMPT FROM TAXATION. A bond issued under this subchapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.12, eff. April 1, 2009.
Renumbered from Special District Local Laws Code, Section 9009.365 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(85), eff. September 1, 2009.

Statute text rendered on: 6/18/2019 - 8122 -
CHAPTER 9016. MIDLAND COUNTY UTILITY DISTRICT
   SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9016.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "County" means Midland County.
(4) "Director" means a board member.
(5) "District" means the Midland County Utility District.
(6) "Municipality" means a municipality in whose corporate limits or extraterritorial jurisdiction any part of the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.002. NATURE OF DISTRICT. The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 9016.003 until each municipality has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 9016.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution.

Sec. 9016.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9016.051. GOVERNING BODY; TERMS. (a) Except as provided by Subsection (c), the district is governed by a board of five elected directors.

(b) Except as provided by Section 9016.052, directors serve staggered four-year terms.

(c) If the municipality annexes any part of the territory of the district, the municipality shall appoint one ex officio member to the board to serve as a sixth director.
Sec. 9016.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Shelton Viney;
(2) Susie Hitchcock-Hall;
(3) Alan Lang;
(4) David Orr; and
(5) Israel Rodriguez.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 9016.003; or
(2) September 1, 2015.

(c) If permanent directors have not been elected under Section 9016.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 9016.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Sec. 9016.053. NOTICE OF MEETINGS. The district shall provide the municipality with written notice before a meeting of the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.
SUBCHAPTER C. POWERS AND DUTIES

Sec. 9016.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 42.042, Local Government Code, and Section 9016.004 and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.104. COMPLIANCE WITH MUNICIPAL REGULATIONS. (a) Any water, sanitary sewer, drainage, or other infrastructure or public facilities constructed, acquired, improved, maintained, or operated by the district shall comply with any applicable regulations of the municipality in whose corporate limits or extraterritorial jurisdiction the infrastructure or facilities are located.

(b) Any water system constructed, acquired, improved, maintained, or operated by the district shall:

(1) comply with any applicable regulations of the municipality regarding specifications for rural density; and

(2) contain distribution lines that are:
(A) four inches or more in diameter; and
(B) sufficient to provide fire hydrant service
according to the municipality's specifications for rural density.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.105. COUNTY RIGHT-OF-WAY. The district must obtain the approval of the county's governing body of the plans and specifications of any facilities to be installed on property located in a county right-of-way.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.106. LIABILITY. (a) Neither the county nor the municipality is liable for any claims arising from the operation of the district's water system or other actions or inactions of the district, including labor, safety, or signage, or contamination or other environmental issues.
(b) Any action taken by the municipality is a governmental function.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.107. COSTS OF LINE RELOCATION. (a) The district is solely responsible for the expense associated with the relocation of any district water line required by:
(1) the county or a municipality; or
(2) a state or federal highway authority, including the Texas Department of Transportation and the Federal Highway Administration.
(b) The district will not unreasonably delay any requested line relocation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.
Sec. 9016.108. SERVICES TO BE PROVIDED BY THE DISTRICT, COUNTY, OR MUNICIPALITY. (a) The district may enter into an interlocal contract with the county or municipality to provide governmental functions, including fire protection, trash collection and disposal, and ambulance service.

(b) Notwithstanding Subsection (a), the municipality is authorized to provide sewer and drainage service in the district. The municipality shall establish the amount of the fees to be charged to recipients of sewer and drainage service under this subsection.

(c) Notwithstanding Subsection (a), the district may not provide any services within the territorial limits of the municipality as those limits exist on September 1, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.109. ANNEXATION BY MUNICIPALITY. (a) The municipality may annex a part of the territory of the district without annexing the entire territory of the district.

(b) If the municipality annexes all or part of the district:

(1) the annexed territory is not removed from the district; and

(2) the district is not:

(A) dissolved; or

(B) prevented from providing district services to the annexed territory.

(c) If any territory inside the district is annexed, the owner of the property shall pay the same rate of ad valorem tax to the municipality as other residents of the municipality.

(d) By annexing territory in the district, the municipality does not assume any debt of the district.

(e) The district may not contest an annexation by the municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.
Sec. 9016.110.  WATER SERVICE DEADLINE.  The district must begin operation of a water system serving at least a part of the district not later than the sixth anniversary of the date that district voters approve the issuance of bonds to provide for the development of the water system.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.111.  LIMITATION ON USE OF EMINENT DOMAIN.  The district may not exercise the power of eminent domain:
(1) outside the district to acquire a site or easement for a recreational facility as defined by Section 49.462, Water Code;
(2) in the corporate limits of the municipality as those limits exist on September 1, 2011; or
(3) outside the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.112.  PROHIBITION ON DIVISION OF DISTRICT.  The district may not divide into two or more districts.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS**

Sec. 9016.151.  ELECTIONS REGARDING TAXES OR BONDS.  (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 9016.153.
(b) The district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 9016.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 9016.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.
Sec. 9016.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Section 51.433, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.203. LIMITATION ON TAX RATE. Notwithstanding any other provision of this chapter, the projected combined operation, maintenance, and debt service tax rates as of the date of the issuance of any bonds, as described by the commission in a commission order approving the issuance of the bonds, may not exceed 65 cents for each $100 of assessed valuation of property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

Sec. 9016.204. BONDS AND OTHER OBLIGATIONS NOT TO BE PAID BY MUNICIPALITY OR COUNTY. Bonds or other obligations of the district:

(1) may not be paid wholly or partly by taxes imposed by the county or the municipality;

(2) are not debts of the county or municipality; and

(3) do not give rise to a claim against the county or municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 1, eff. June 17, 2011.

CHAPTER 9017. TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9017.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
"Defined area" means the Lakeway Regional Medical Center Defined Area.

"District" means the Travis County Water Control and Improvement District No. 17.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

**SUBCHAPTER B. LAKEWAY REGIONAL MEDICAL CENTER DEFINED AREA**

Sec. 9017.051. CREATION OF LAKEWAY REGIONAL MEDICAL CENTER DEFINED AREA. The defined area is created in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.052. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The defined area is created to serve a public purpose and benefit.

(b) The defined area is created to accomplish the purposes of:

(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.053. INITIAL DEFINED AREA TERRITORY. (a) The defined area is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the defined area's organization, existence, or validity;

(2) the district's right to execute contracts or issue any
type of bond or obligation for the purposes for which the defined area is created or to make payments under a contract or obligation or pay the principal of and interest on a bond;
(3) the district's right to impose a tax in the defined area; or
(4) the defined area's legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.054. EXCLUSION OF TERRITORY FROM DEFINED AREA. Before holding an election under Section 9017.060, the district may exclude territory from the defined area in the manner provided by Sections 49.303, 49.304, 49.305, 49.306, and 49.307, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.055. ADMINISTRATION OF DEFINED AREA. (a) Except as provided by Subsection (b), the board shall administer the defined area as provided by Chapter 51, Water Code.
(b) Sections 51.518-51.524 and 51.526-51.529, Water Code, do not apply to the defined area.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.056. ELECTIONS IN DEFINED AREA. (a) An election limited to the defined area shall conform to the requirements of the Election Code. The board shall submit the appropriate issue to the voters of the defined area and the issue may also be submitted on the same ballot to be used in a general election.
(b) In an election held for a purpose set forth in Section 9017.057, 9017.060, 9017.061, 9017.062, 9017.063, or 9017.064, the board may include one or more purposes in a single proposition. The ballot for an election under this chapter must be printed to provide for voting for or against the proposition.
(c) An election under this section does not require that an
election be held in the part of the district outside the defined area.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.057. AUTHORITY FOR ROAD PROJECTS IN DEFINED AREA. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads, including roads located outside the boundaries of the defined area, to serve the defined area as determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.058. ROAD STANDARDS AND REQUIREMENTS IN DEFINED AREA. (a) A road project in the defined area must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits the road project is located.

(b) If a road project is not located in the corporate limits of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.059. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 9017.057; or
(2) a recreational facility as defined by Section 49.462, Water Code, primarily intended to serve the defined area.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.060. ELECTIONS REGARDING DEFINED AREA TAXES OR BONDS. (a) The district must hold an election in the defined area in the manner provided by Section 9017.056 to obtain voter approval before the district may impose an ad valorem tax only on the property of the defined area or issue bonds payable from ad valorem taxes only on the property of the defined area.

(b) The district may not issue bonds payable wholly or partly from ad valorem taxes to finance a road project in the defined area unless the issuance is approved by a vote of a two-thirds majority of the voters of the defined area voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.061. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 9017.060, the district may impose an operation and maintenance tax on taxable property in only the defined area in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.062. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax in the defined area only and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the defined area voters voting at an election held under Section 9017.060.
In addition to the purposes allowed by Chapter 49, Water Code, a contract may contain provisions related to the plant, works, facilities, roads, or other projects to serve the defined area.

A contract approved by the defined area voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.063. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of the plant, works, facilities, roads, or other projects to serve the defined area.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.064. TAXES FOR BONDS. At the time the district issues bonds under Section 9017.060, the board may provide for the imposition of a tax to pay the principal of or interest on the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

Sec. 9017.065. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects in the defined area may not exceed one-fourth of the assessed value of the real property in the defined area.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1261 (S.B. 942), Sec. 1, eff. September 1, 2011.

CHAPTER 9018. BOLING MUNICIPAL WATER DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 9018.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "District" means the Boling Municipal Water District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9018.002. NATURE OF DISTRICT. The district is:

(1) a conservation and reclamation district in Wharton County under Section 59, Article XVI, Texas Constitution; and

(2) a municipal corporation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9018.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the creation of the district.

(c) The creation of the district is essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT TERRITORY; ANNEXATION AND EXCLUSION

Sec. 9018.051. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 286, Acts of the 54th Legislature, Regular Session, 1955, as that territory may have been modified under:

(1) this subchapter or its predecessor statute, Section 4(a), Chapter 286, Acts of the 54th Legislature, Regular Session, 1955;

(2) Subchapter O, Chapter 51, Water Code;

(3) Subchapter J, Chapter 49, Water Code; or
Sec. 9018.052. AUTHORITY TO ANNEX OR EXCLUDE TERRITORY. Defined areas of territory not included in the territory described by Section 1, Chapter 286, Acts of the 54th Legislature, Regular Session, 1955, may be added to the district, and territory included in the district may be excluded from the district as provided by this subchapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9018.053. PETITION TO CHANGE BOUNDARIES. (a) A petition for:

(1) annexation of territory must be signed by a majority of the landowners of the territory; and

(2) exclusion of territory must be signed by all of the landowners of the territory sought to be excluded from the district.

(b) The petition must be filed with the board secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9018.054. HEARING; NOTICE. (a) At the next board meeting after the date the petition is filed, the board shall order a time and place to hold a hearing on the petition.

(b) The hearing shall be held not earlier than the 15th day and not later than the 60th day after the date of the order.

(c) The secretary shall issue notice of the time and place of the hearing. The notice must contain a description of the territory sought to be annexed or excluded.

(d) Notice of the hearing shall be given by posting a copy of the notice in three public places in the district and one copy in the territory sought to be annexed or excluded.
Sec. 9018.055. BOARD APPROVAL OF ANNEXATION. (a) The board shall enter an order of temporary acceptance in the minutes of the hearing if, on hearing the petition for annexation, the board finds that:

(1) the proposed annexation is to the advantage of the district;

(2) no injury would result to the district; and

(3) the territory to be annexed will benefit from the improvements and plans of the district.

(b) The order may include all of the land described in the petition, but if the board finds a modification or change is necessary, the board shall include only territory that will benefit and not result in injury to the existing district.

(c) The board may condition its findings for the annexation of territory on the grant of certain petitions for exclusion.

(d) An annexation of territory does not become effective until ratified at an election under Section 9018.057.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9018.056. BOARD APPROVAL OF EXCLUSION. (a) The board may enter an order of temporary exclusion of territory if, on hearing the petition for exclusion, the board finds that:

(1) the territory will not be benefited by the further improvements planned by the district; and

(2) the benefits accorded to the territory to be excluded by improvements previously authorized by the district do not have a proportionate relationship to the benefits received by the remainder of the district.

(b) An exclusion of territory does not become effective until ratified at an election under Section 9018.057.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.
Sec. 9018.057. RATIFICATION ELECTION; NOTICE. (a) Immediately on the entry of an order under Section 9018.055 or 9018.056, the board shall enter an order for an election for the purpose of ratifying the board's action by the assumption of the proportionate share of all obligations previously issued, voted, owned, or contracted for by the district.

(b) At an election held to ratify only the annexation of territory, separate polling places shall be provided for the existing territory of the district and the territory to be annexed.

(c) An election held only to ratify the exclusion of territory from the district shall be held in the area of the district as the district will exist if the territory is excluded, and the voters of the territory to be excluded may not participate in the election.

(d) If the annexation and the exclusion of territory are simultaneously submitted as separate propositions, the election shall be held as provided by Subsection (b) except:

(1) the voters in the territory to be excluded shall vote, in a separate box, only on the question of assumption of debt if the election for the exclusion fails; and

(2) the voters in the territory to be annexed and the voters in the district shall have the right to vote for assumption of debt conditioned on exclusion of the other territory and the annexation.

(e) If the board has conditioned an annexation on the exclusion of other territory from the district, the election shall be held as provided by Subsection (b), except the voters of the territory to be excluded may not vote in the election.

(f) If a separate polling place is required under this section, a favorable majority of the participating voters at each polling place is required to assume the debt and approve the tentative order of the board.

(g) The manner of giving notice and holding the election is the same as provided for confirmation elections under general law for water control and improvement districts.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9018.058. TAX LIABILITY OF EXCLUDED TERRITORY; BONDS
OUTSTANDING.  (a) Territory excluded by an election is not liable for any obligations voted by the district after the election.

(b) The excluded territory remains liable for the payment of taxes to pay obligations incurred before the exclusion until:

(1) all of the holders of outstanding bonds:

(A) consent to the release of the excluded territory; and

(B) file the consent in writing with the secretary of the district; or

(2) the obligations are paid or refunded.

(c) The territory assuming the obligations is first subject to taxes for the payment of the obligations. The taxes against the excluded territory are levied only to prevent default on the obligations, except the district may levy taxes against the territory to create and maintain a reserve for that contingency. The reserve may not exceed the proportionate amount, based on tax valuations, of the average annual principal and interest requirements on the outstanding obligations.

(d) If the bonds are refunded, the resolution must expressly provide for the release of the excluded territory from the obligation to pay further taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 9018.101. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 9018.151. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.
Sec. 9018.152. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter, makes necessary the relocating, raising, rerouting, changing the grade, or altering the construction of a highway, railroad, electric transmission line, pipeline, or telegraph or telephone property or facility, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
Sec. 9018.201. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.
(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

CHAPTER 9019. BROOKSHIRE MUNICIPAL WATER DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 9019.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the city of Brookshire, Texas.
(3) "Director" means a board member.
(4) "District" means the Brookshire Municipal Water District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9019.002. NATURE OF DISTRICT. (a) The district is a
conservation and reclamation district.

(b) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9019.003. DISTRICT TERRITORY. (a) The district consists of the territory included in the incorporated city of Brookshire in Waller County, Texas, on April 1, 1951. The district's territory may have been modified under:

(1) Chapter 3A, Title 128, Revised Statutes, before August 30, 1971;
(2) Subchapter O, Chapter 51, Water Code;
(3) Subchapter J, Chapter 49, Water Code; or
(4) other law.

(b) A defect in the definition of the boundaries of the city of Brookshire or in a past proceeding for the annexation or exclusion of territory to or from the city does not affect the validity of the district or any of its powers and duties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9019.051. COMPOSITION OF BOARD. The district is governed by a board of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9019.052. QUALIFICATIONS FOR OFFICE. A director must be:

(1) at least 18 years of age;
(2) a resident of the state; and
(3) the owner of property subject to taxation in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
SUBCHAPTER C.  POWERS AND DUTIES

Sec. 9019.101.  GENERAL POWERS.  (a)  Except as otherwise provided by this chapter, the district:

(1)  has all the powers and duties granted water control and improvement districts by Chapters 49 and 51, Water Code, and all other laws relating to water control and improvement districts; and

(2)  shall be governed by all of the laws described by Subdivision (1) and the powers, functions, duties, privileges, and procedures provided by those laws.

(b)  The district may exercise the rights, privileges, and functions provided by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9019.102.  POWER TO ACQUIRE PROPERTY AND ASSUME INDEBTEDNESS.  (a)  The district may purchase or otherwise acquire from the city any property owned by the city, for the production, distribution, and sale of water and everything appurtenant thereto on terms agreed to by the governing bodies of the city and the district.

(b)  The district may assume all outstanding bonds, warrants, and other forms of indebtedness of the city issued for waterworks purposes, including indebtedness payable from:

(1)  the revenue of the city's waterworks system; or

(2)  ad valorem taxes.

(c)  The assumption of indebtedness described by Subsection (b) must first be approved at an election held in the district in the manner provided by this chapter for bond elections.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9019.103.  POWERS RELATING TO WATERWORKS OR SANITARY SEWER SYSTEM.  The district may:

(1)  purchase, construct, or otherwise acquire a waterworks or sanitary sewer system;
(2) own and operate a system described by Subdivision (1); and

(3) construct an addition, extension, or improvement to a system described by Subdivision (1).

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9019.104. POWERS RELATING TO FIRE DEPARTMENT. The district may:

(1) purchase or otherwise acquire, maintain, and operate a firefighting facility and equipment to protect property belonging to the district and other property in the district;
(2) maintain and operate a fire department;
(3) employ a fire marshal; and
(4) pay a reward for information leading to the arrest and conviction of a person on a charge of arson in connection with the burning or attempted burning of property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9019.105. PROJECT APPROVAL. The board is not required to secure the approval of the Texas Commission on Environmental Quality for any district project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9019.151. TAX METHOD. The district shall use the ad valorem plan of taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER E. BONDS
Sec. 9019.201. AUTHORITY TO ISSUE BONDS. To carry out a power the district is authorized to perform, the district may issue bonds payable from and secured by:

(1) ad valorem taxes;

(2) all or part of the net revenue of the income-producing properties of the district, as specified by the board, after deducting reasonable expenses for maintenance, operation, and administration; or

(3) ad valorem taxes and the net revenue described by Subdivision (2).

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9019.202. BOND ELECTION REQUIRED. The district may issue bonds only if the bonds are authorized by a majority of the district voters voting at an election called by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9019.203. NOTICE OF BOND ELECTION. (a) Except as otherwise provided by this section, notice of a bond election must be given in the manner required of bond elections in water control and improvement districts.

(b) The notice must be published once a week for two consecutive weeks in a newspaper of general circulation in the district. Publication of the first notice must be at least 14 days before the date of the election.

(c) The notice is not required to state any summary of engineers or other estimates of cost.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9019.204. REFUNDING BONDS. (a) The district may issue refunding bonds to refund:

(1) outstanding bonds issued by the district and interest
on those bonds; or

(2) outstanding bonds of the city assumed by the district.

(b) Refunding bonds may:

(1) be issued to refund more than one series of outstanding district bonds, including bonds assumed by the district;

(2) combine the pledges of net revenue, taxes, or both, that secure the outstanding bonds for the security of the refunding bonds; and

(3) be secured by a pledge of other or additional revenue.

(c) Refunding bonds may be combined and issued jointly with new money bonds to be issued and sold to carry out a power for which the district may issue bonds.

(d) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9019.205. REFUNDING BOND ELECTION. (a) Except as otherwise provided by this section, refunding bonds may be issued without an election.

(b) The district may not issue refunding bonds to refund outstanding bonds of the city unless the district's assumption of those bonds is first authorized at an election in the district held in the manner provided by this chapter for bond elections.

(c) Refunding bonds payable wholly or partly from ad valorem taxes may not be issued to refund revenue bonds issued by the district or revenue bonds of the city assumed by the district unless the refunding bonds are authorized at an election held in the manner
provided by this chapter for bond elections.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

   Sec. 9019.206.  BOND APPROVAL.  The board is not required to secure the approval of the Texas Commission on Environmental Quality for district bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

   CHAPTER 9020.  DONAHOE CREEK WATERShed AUTHORITY
   SUBCHAPTER A.  GENERAL PROVISIONS

   Sec. 9020.001.  DEFINITIONS.  In this chapter:
   (1) "Authority" means the Donahoe Creek Watershed Authority.
   (2) "Board" means the board of directors of the authority.
   (3) "Director" means a member of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

   Sec. 9020.002.  NATURE OF AUTHORITY.  The authority is a conservation and reclamation district in portions of Bell, Milam, and Williamson Counties.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

   Sec. 9020.003.  FINDINGS OF BENEFIT AND PURPOSE.  (a) All territory included in the authority will benefit from the works and projects accomplished by the authority under the powers conferred by Section 59, Article XVI, Texas Constitution.
   (b) The creation of the authority is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 9020.004. AUTHORITY TERRITORY. The authority is composed of the territory described by Section 2, Chapter 29, Acts of the 55th Legislature, 1st Called Session, 1957, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Sec. 9020.005. APPLICABILITY OF OTHER WATER CONTROL AND IMPROVEMENT DISTRICT LAW. Except as provided by this chapter, general laws pertaining to water control and improvement districts govern the authority.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9020.051. COMPOSITION OF BOARD. The board consists of six elected directors.

Sec. 9020.052. QUALIFICATIONS FOR OFFICE. (a) Each director of the authority must:

(1) be a landowner within the authority; and
(2) reside in Bell, Milam, or Williamson County.

(b) A director who fails to meet the requirements of Subsection (a) during the director's tenure in office shall vacate that office.
Sec. 9020.101. GENERAL POWERS. The authority may exercise the rights, privileges, and functions provided by this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9020.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. In exercising the power for which the authority is created, the authority has the powers conferred by general law on water control and improvement districts, including the power to:

(1) construct, acquire, improve, maintain, and repair a dam or other structure; and

(2) acquire land, easements, equipment, or other property needed to use, control, and distribute water that may be impounded, diverted, or controlled by the authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9020.103. CONTROL OF WATER AND FLOODWATER; RECLAMATION. The authority may:

(1) control, store, preserve, and distribute the water and floodwater in the authority for the irrigation of arid land, conservation, preservation, reclamation, and drainage of the lands in the authority;

(2) carry out flood prevention measures to prevent damage to the land and other property in the authority; and

(3) reclaim lands heretofore damaged because of the prior failure to provide the facilities authorized to be constructed under this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9020.104. COST OF RELOCATING OR ALTERING PROPERTY. If the authority's exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

**SUBCHAPTER D. TAXES**

Sec. 9020.151. IMPOSITION OF MAINTENANCE TAX; ELECTION PROCEDURE. (a) The authority may impose a maintenance tax for the purpose of maintaining structures, channeling, or other improvements constructed by the authority or others in cooperation with the authority.

(b) A maintenance tax election shall be called and notice given in the same manner as for a bond election.

(c) This chapter does not prevent the calling of a subsequent maintenance tax election to establish or increase the amount of tax if the board determines that a maintenance tax election is required.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9020.152. MAINTENANCE TAX RATE. In calling a maintenance tax election, the board must specify the maximum proposed tax rate. To impose a maintenance tax at a rate that exceeds the maximum proposed rate approved by the voters, the board must submit the question of a tax rate increase to the voters.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9020.153. HEARING ON CHANGE IN METHOD OF TAXATION; LIMITATION. (a) Except as provided by Subsection (b), the authority
may call a hearing, in the same manner as for the adoption of the original plan of taxation, to consider changing the method of taxation.

(b) After authority bonds are approved by the attorney general or district court, the authority may not change its plan of taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER E. BONDS

Sec. 9020.201. ISSUANCE OF BONDS. To accomplish an authority purpose, the authority may issue bonds as provided by general law for water control and improvement districts to acquire money necessary to furnish land or easements or permanent improvements on the land or easements.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9020.202. PLEDGE OF REVENUE TO PAY BONDS. When the board selects a plan of taxation, the board may pledge authority revenue to pay bonds authorized by voters.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

For contingent expiration of this chapter, see Section 9021.003.

CHAPTER 9021. ROLLING V RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 OF WISE COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9021.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Rolling V Ranch Water Control and Improvement District No. 1 of Wise County.

Added by Acts 2007, 80th Leg., R.S., Ch. 946 (H.B. 3991), Sec. 1, eff. September 1, 2007.
Sec. 9021.002. NATURE OF DISTRICT. The district is a water control and improvement district in Wise County created under and essential to accomplish the purposes of Section 59, Article XVI, and Section 52, Article III, Texas Constitution.

Sec. 9021.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 9021.024 before November 4, 2009:

(1) the district is dissolved November 4, 2009, except that the district shall:
   (A) pay any debts incurred;
   (B) transfer to Wise County any assets that remain after the payment of debts; and
   (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 9021.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the
district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or indebtedness; or
(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 946 (H.B. 3991), Sec. 1, eff. September 1, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1347 (S.B. 2002), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9021.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 946 (H.B. 3991), Sec. 1, eff. September 1, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1347 (S.B. 2002), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9021.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 946 (H.B. 3991), Sec. 1, eff. September 1, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1347 (S.B. 2002), Sec. 1, eff. September 1, 2007.

Sec. 9021.102. ROAD PROJECTS. To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads.
Sec. 9021.103. AUTHORITY TO CONTRACT WITH OWNERS OF REAL PROPERTY IN DISTRICT. The board may contract with an owner of real property in the district to construct, acquire, finance, own, maintain, or operate a work, project, service, or commodity necessary for a project authorized by Section 9021.101 or 9021.102.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 4642, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 9021.104. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9021.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 9021.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 946 (H.B. 3991), Sec. 1, eff. September 1, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1347 (S.B. 2002), Sec. 1, eff. September 1, 2007.

SUBCHAPTER E. BONDS

Sec. 9021.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of a project under Section 9021.101 or 9021.102.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 9021.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 9021.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 946 (H.B. 3991), Sec. 1, eff. September 1, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1347 (S.B. 2002), Sec. 1, eff. September 1, 2007.

For contingent expiration of this chapter, see Section 9022.003.

CHAPTER 9022. KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9022.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means Kendall County Water Control and Improvement District No. 2.
Sec. 9022.002. NATURE OF DISTRICT. The district is a water control and improvement district in Kendall County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 9022.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 9022.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that:

   (A) any debts incurred shall be paid;
   (B) any assets that remain after the payment of debts shall be transferred to Kendall County; and
   (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 9022.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or
indebtedness; or

(4) the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 989 (S.B. 1245), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER B. BOARD OF DIRECTORS**

Sec. 9022.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 989 (S.B. 1245), Sec. 1, eff. September 1, 2007.

Sec. 9022.052. ELECTION OF DIRECTORS. Notwithstanding Section 49.103(b), Water Code, on the uniform election date in November of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 989 (S.B. 1245), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 9022.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 989 (S.B. 1245), Sec. 1, eff. September 1, 2007.

Sec. 9022.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may:

(1) construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district; and
(2) improve or maintain roads, or improvements in aid of those roads, outside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 989 (S.B. 1245), Sec. 1, eff. September 1, 2007.

Sec. 9022.103. DIVISION OF DISTRICT. (a) The district may divide into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code. Sections 51.748 through 51.753, Water Code, do not apply to the district.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 989 (S.B. 1245), Sec. 1, eff. September 1, 2007.

Sec. 9022.105. LIMIT ON EMINENT DOMAIN POWER. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for belowground water, sewer, storm water, or drainage pipelines that serve the district.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 9022.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 9022.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 989 (S.B. 1245), Sec. 1, eff. September 1, 2007.

SUBCHAPTER E. BONDS
Sec. 9022.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of projects under Section 9022.101 or 9022.102.

(b) The district may not issue bonds authorized by Section 9022.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 9022.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 989 (S.B. 1245), Sec. 1, eff. September 1, 2007.

CHAPTER 9023. DUVAL COUNTY CONSERVATION AND RECLAMATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 9023.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Duval County Conservation and Reclamation District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9023.002. NATURE OF DISTRICT. The district is:
(1) a conservation and reclamation district under Section 59, Article XVI, Texas Constitution; and
(2) a municipal corporation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land included in the boundaries of the district will benefit from that inclusion.
(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 398, Acts of the 51st Legislature, Regular Session, 1949, as that territory may have been modified under:
(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Subchapter E or the relevant parts of its predecessor statute, former Section 4A, Chapter 398, Acts of the 51st Legislature, Regular Session, 1949; or
(4) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9023.051. COMPOSITION OF BOARD. The board is composed of four elected directors.
Sec. 9023.052. ELECTION OF DIRECTORS. (a) Directors are elected to positions according to the place system as provided by this section.

(b) Except as provided by Subsection (c):

(1) a director elected to place 1 or 2 must be a resident of Benavides and be elected by the voters of the district who reside in Benavides and its extraterritorial jurisdiction; and

(2) a director elected to place 3 or 4 must be a resident of, and be elected by the voters of the district who reside in, the part of Duval County that is not within:

(A) the corporate limits or extraterritorial jurisdiction of San Diego or Benavides; or

(B) the Freer Water Control and Improvement District.

(c) If Benavides and the area within its extraterritorial jurisdiction disannex under Subchapter E:

(1) a director who represents Benavides and the area within its extraterritorial jurisdiction ceases to be a director on the date disannexation takes effect;

(2) the remaining directors as soon as possible shall order a special election to elect the appropriate number of directors to fill the unexpired terms if the disannexation results in vacancies on the board; and

(3) a director for each place on the board must be a resident of the part of Duval County that is not within:

(A) the corporate limits or extraterritorial jurisdiction of San Diego or Benavides; or

(B) the Freer Water Control and Improvement District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Subchapter C. Powers and Duties

Sec. 9023.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district.
created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.102. GENERAL CONTRACT POWERS. The board may enter into a contract with any individual or any public or private corporation, inside or outside the district, that the board considers advisable and expedient to accomplish the district's purposes.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.103. ACQUISITION OF PROPERTY. The district may acquire property not already devoted to public use in the district that the board considers necessary to accomplish the district's objectives.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.104. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter, makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, pipeline, or telegraph or telephone property or facility, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.105. WATER PERMIT ACQUIRED FROM MUNICIPALITY. A water permit acquired by the district from a municipality in the district must be acquired subject to a provision that, in case of a
shortage of water supply, the municipality has a right to receive water from the district that is superior to the right of anyone else to use water.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

**SUBCHAPTER D. BONDS**

Sec. 9023.151. AUTHORITY TO ISSUE BONDS. The district may issue bonds pursuant to a board resolution for any purpose permitted to water control and improvement districts, including the acquisition by construction or otherwise of plants and improvements for storing, treating, purifying, protecting, transporting, transmitting, delivering, and disposing of, through sale or otherwise, flood, storm, flow, or underground water for lawful uses.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.152. CERTAIN BOND COVENANTS AUTHORIZED. A resolution authorizing the issuance of district bonds may contain any covenant the board considers necessary to ensure:

(1) the creation and maintenance of proper reserves; and

(2) the payment of the principal of and interest on the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.153. MATURITY. District bonds, including refunding bonds, must mature not later than 40 years after the date of their issuance.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.154. USE OF BOND PROCEEDS. The district may
appropriate and pay from the proceeds of the sale of bonds the interest to accrue on the bonds for a period not to exceed three years from their date.

 Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

 Sec. 9023.155. BONDS SECURED BY REVENUE; ADDITIONAL BONDS. (a) In this section, "net revenues" means all income or increment from the ownership and operation of improvements and facilities operated by the district, minus the amount reasonably required to provide for the administration, efficient operation, and adequate maintenance of the improvements and facilities. The term does not include money derived from taxation.

 (b) District bonds may be secured by:

 (1) a pledge of the district's net revenues; or

 (2) a pledge of the district's net revenues and the imposition of a continuing ad valorem tax described by Section 9023.156.

 (c) The district may issue bonds secured as provided by Subsection (b)(1) without submitting the question of the issuance to an election.

 (d) The district may not issue bonds secured as provided by Subsection (b)(2) unless the bonds are authorized by a majority of the votes cast in an election in the district.

 (e) Within the board's discretion, the bonds may also be secured by a lien on the physical properties of the district.

 (f) The district may execute contracts, evidences of pledge, deeds of trust, trust indentures, and other instruments that fix a lien on net revenues and the physical properties of the district that the board, in its discretion, determines are necessary or convenient to evidence and secure the obligation of the district to pay the principal of and interest on the bonds.

 (g) The resolution authorizing the issuance of bonds secured by a pledge of net revenues may:

 (1) contain the conditions under which additional bonds secured by a pledge of net revenues may be subsequently issued;

 (2) prescribe the conditions under which the district has the right to release the lien on net revenues and on the district's...
physical properties, if encumbered, by depositing at the bank or place of payment money sufficient to pay:

(A) the principal of and interest on the bonds to the date on which the bonds may become optional and any premium payment stipulated in the resolution; or

(B) the principal of and interest on the bonds to maturity if an option of prior payment is not reserved; or

(3) prescribe the conditions under which the continuing ad valorem tax described by Section 9023.156, if any, to be collected in any year during which any of the bonds are outstanding may be reduced or omitted when net revenues are sufficient to provide the money necessary for principal, interest, and reserve requirements prescribed by this subchapter.

(h) Additional bonds described by Subsection (g)(1) must be secured by a lien and pledge of net revenues that is inferior to the lien and pledge securing the bonds originally issued unless the additional bonds are issued in full compliance with the restrictions applicable to additional bonds on a parity with the bonds originally issued.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.156. BONDS SECURED BY AD VALOREM TAXES. (a) This section does not apply to district bonds secured only by a pledge of net revenues as defined by Section 9023.155(a).

(b) If bonds have been voted, the board shall impose a continuing ad valorem tax on all property in the district sufficient:

(1) to pay the principal of and interest on the bonds as the principal and interest respectively mature;

(2) to create and maintain any reserve required by the resolution or resolutions authorizing the issuance of the bonds;

(3) to pay the expense of assessing and collecting the tax; and

(4) for anticipated delinquencies in the tax payments.

(c) The board annually shall determine and set or cause to be determined and set the rate of the ad valorem tax to be imposed under this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
Sec. 9023.157. REFUNDING BONDS. (a) The district may issue refunding bonds without an election.

(b) District bonds may be refunded by:
(1) the issuance and delivery to holders of refunding bonds in lieu of the outstanding bonds; or
(2) the sale of refunding bonds and the use of the proceeds for retiring the outstanding bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER E. DISANNEXATION OF MUNICIPAL TERRITORY

Sec. 9023.201. DEFINITION. In this subchapter, "municipal territory" means the territory located in the corporate boundaries and the extraterritorial jurisdiction of a municipality located in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.202. DISANNEXATION OF MUNICIPAL TERRITORY. Municipal territory may be disannexed from the district under this subchapter on petition for an election on disannexation and a vote in favor of the disannexation by the majority of voters voting at an election ordered for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.203. PETITION. (a) A petition for an election to disannex municipal territory under this subchapter must:
(1) be signed by at least the lesser of 250 registered voters of the district who are residents of the municipal territory or a number of registered voters equal to five percent of the total votes cast in the municipal territory in the most recent district
(2) state that the purpose of the petition is to order an election to determine whether the municipal territory should be disannexed; and

(3) include each petitioner's:
   (A) signature;
   (B) printed name;
   (C) address;
   (D) voting precinct;
   (E) voter certificate number; and
   (F) date of signing.

(b) The petition must be filed with the district manager.

(c) Not later than the 30th day after the date the petition is filed, the district manager shall:

   (1) verify the validity of the petition; and
   (2) determine whether the petition contains the number of signatures required to order an election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.204. ELECTION ORDER. (a) The board shall order an election for the purpose of disannexation of municipal territory under this subchapter if the district manager certifies the number of signatures required for ordering the election.

(b) The board shall order the election not later than the 90th day after the date the district manager certifies the sufficiency of the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.205. BALLOT. The ballot for an election under this subchapter must permit voting for one of the following three propositions:

   (1) "The City of (name of municipality) and the area within the city's extraterritorial jurisdiction shall not be disannexed from the Duval County Conservation and Reclamation District"

   (2) "The City of (name of municipality) and the area within
the city's extraterritorial jurisdiction shall be disannexed from the Duval County Conservation and Reclamation District, and on disannexation the city council of (name of municipality) shall establish or acquire systems to provide the water and sewer services formerly provided by the Duval County Conservation and Reclamation District in the disannexed area"; or

(3) "The City of (name of municipality) and the area within the city's extraterritorial jurisdiction shall be disannexed from the Duval County Conservation and Reclamation District, and on disannexation the city council of (name of municipality) shall initiate a petition for, and shall consent to, as provided by Sections 54.014 and 54.016, Water Code, the creation of a municipal utility district to provide the water and sewer services formerly provided by the Duval County Conservation and Reclamation District in the disannexed area."

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.206. ELECTION. (a) Only voters who reside in the municipal territory to be disannexed under this subchapter may vote in the disannexation election.

(b) The municipal territory is not disannexed from the district if a majority of the total votes cast in the election is in favor of the proposition stated in Section 9023.205(1).

(c) If the total vote in favor of the propositions stated in Sections 9023.205(2) and (3) is a majority of the votes cast in the election, the majority of the votes cast in the election is for disannexation from the district. As between the two propositions, the proposition that receives the greater number of votes prevails.

(d) If disannexation fails, an election under this subchapter to disannex the same municipal territory may not be held for one year.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.207. BOARD VOTE. (a) The directors shall vote to disannex municipal territory if the majority of the votes cast in an
election under this subchapter is for disannexation.

(b) The directors shall vote to disannex the municipal territory at the same board meeting at which the directors canvass the election results.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.208. APPOINTMENT OF MASTER. Not later than the 30th day after the election results are canvassed and the board votes to disannex municipal territory under Section 9023.207, the executive director of the Texas Commission on Environmental Quality shall appoint an independent master to oversee the distribution of assets consistent with disannexation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.209. DISTRIBUTION OF PROPERTY, RECEIVABLES, AND OTHER ASSETS. (a) All infrastructure and real property, including water and sewer lines, storage tanks, treatment plants, towers, buildings, land, and other facilities located within municipal territory disannexed under this subchapter that are related to the provision of water and sewer services by the district in the disannexed territory, shall revert to the disannexed municipality.

(b) All receivables from connections in municipal territory disannexed under this subchapter transfer to the disannexed municipality.

(c) Other assets, including vehicles, computers, office furniture and equipment, and cash, shall be divided between the district and the disannexed municipality by the master in proportion to the population of the district or the disannexed municipal territory.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.210. PROVISION OF SERVICES OUTSIDE DISANNEXED
MUNICIPAL TERRITORY. (a) This section applies only to a municipal water or sewer system established or acquired as a result of voter approval of the proposition stated in Section 9023.205(2).

(b) A municipal water or sewer system may serve an area immediately outside the extraterritorial jurisdiction of the disannexed municipality if the residents of the area agree to be served by the system.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

For contingent expiration of this chapter, see Section 9024.003.

CHAPTER 9024. CADE RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 OF GALVESTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9024.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Cade Ranch Water Control and Improvement District No. 1 of Galveston County.

Added by Acts 2007, 80th Leg., R.S., Ch. 788 (H.B. 4010), Sec. 1, eff. September 1, 2007.

Sec. 9024.002. NATURE OF DISTRICT. The district is a water control and improvement district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 788 (H.B. 4010), Sec. 1, eff. September 1, 2007.

Sec. 9024.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 9024.024 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:
   (A) pay any debts incurred;
(B) transfer to Galveston County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 788 (H.B. 4010), Sec. 1, eff. September 1, 2007.

Sec. 9024.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 788 (H.B. 4010), Sec. 1, eff. September 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9024.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 788 (H.B. 4010), Sec. 1, eff. September 1, 2007.

Sec. 9024.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.
Sec. 9024.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 788 (H.B. 4010), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9024.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If a district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 788 (H.B. 4010), Sec. 1, eff. September 1, 2007.
Sec. 9024.103.  NAVIGATION POWERS.  The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district under Chapters 60 and 62, Water Code, as authorized by Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 788 (H.B. 4010), Sec. 1, eff. September 1, 2007.

Sec. 9024.104.  DIVISION OF DISTRICT.  (a) The district may be divided into two new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code. Sections 51.748 through 51.753, Water Code, do not apply to the district.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) A new district, at the time it is created by the division of the district, may not contain land outside the area described by Section 2 of the Act creating this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 788 (H.B. 4010), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D.  GENERAL FINANCIAL PROVISIONS

Sec. 9024.151.  TAX TO REPAY BONDS.  The district may impose a tax to pay the principal of or interest on bonds issued under Section 9024.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 788 (H.B. 4010), Sec. 1, eff. September 1, 2007.

SUBCHAPTER E.  BONDS

Sec. 9024.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  (a) The district may issue bonds or other obligations as provided by
Chapters 49 and 51, Water Code, and to finance the construction, maintenance, or operation of projects under Sections 9024.101 and 9024.102.

(b) The district may not issue bonds to finance projects authorized by Section 9024.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 9024.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 788 (H.B. 4010), Sec. 1, eff. September 1, 2007.

CHAPTER 9025. TALLEY RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 OF DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9025.001. DEFINITION. In this chapter, "district" means the Talley Ranch Water Control and Improvement District No. 1 of Denton County.

Added by Acts 2007, 80th Leg., R.S., Ch. 967 (H.B. 4101), Sec. 1, eff. September 1, 2007.

Sec. 9025.002. NATURE OF DISTRICT. The district is a water control and improvement district in Denton County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 967 (H.B. 4101), Sec. 1, eff. September 1, 2007.

Sec. 9025.003. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, the following laws apply to the district:

(1) Chapters 49 and 51, Water Code; and
(2) Section 52(b)(3), Article III, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 967 (H.B. 4101), Sec. 1, eff.
SUBCHAPTER B. POWERS AND DUTIES

Sec. 9025.051. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 967 (H.B. 4101), Sec. 1, eff. September 1, 2007.

Sec. 9025.052. COMPLIANCE WITH COUNTY OR MUNICIPAL ORDINANCES OR RESOLUTIONS RELATING TO ROAD PROJECTS. The district shall comply with all applicable requirements relating to projects authorized by Section 9025.051 of any ordinance or resolution adopted by the governing body of:

(1) a county in which the district is located for a project in the unincorporated area of the county; or

(2) a municipality in whose corporate limits or extraterritorial jurisdiction the district is located for a project in the corporate limits or the extraterritorial jurisdiction of the municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 967 (H.B. 4101), Sec. 1, eff. September 1, 2007.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 9025.101. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued for a project under Section 9025.051.
SUBCHAPTER D. BONDS

Sec. 9025.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of projects under Section 9025.051.

(b) The district may not issue bonds authorized for a project under Section 9025.051 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 9025.051 may not exceed one-fourth of the assessed value of the real property in the district.

CHAPTER 9026. CEDAR BAYOU PARK UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9026.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Cedar Bayou Park Utility District.
The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9026.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 261, Acts of the 61st Legislature, Regular Session, 1969, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9026.005 or its predecessor statute, former Section 9, Chapter 261, Acts of the 61st Legislature, Regular Session, 1969; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) in any other manner, the legality or operation of the district or the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.
Sec. 9026.005. EXPANSION OF DISTRICT. (a) If land is annexed by the district under Section 49.301 or 51.714, Water Code, the board may require the petitioners to:
(1) assume the petitioners' pro rata share of the voted but unissued bonds of the district; and
(2) authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.
(b) If land is annexed by the district under Section 49.302, Water Code, the board may submit to the voters of the area to be annexed a proposition on the question of the assumption by the area to be annexed of its part of the voted but not yet issued or sold tax or tax-revenue bonds of the district and the imposition of an ad valorem tax on taxable property in the area to be annexed along with a tax in the rest of the district for the payment of the bonds.
(c) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued tax or tax-revenue bonds regardless of changes to district boundaries since the voting or authorization of those bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9026.006. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and duties are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the impact on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION
Sec. 9026.051. COMPOSITION OF BOARD. The board consists of five elected directors.
Sec. 9026.052. DIRECTOR'S BOND. (a) Each director shall qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The bonds must be recorded in a record book kept for that purpose in the district office.

Sec. 9026.053. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The county judge of the county in which the district is located shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is less than three.

Sec. 9026.054. BOARD PRESIDENT'S POWER TO EXECUTE CONTRACTS. The board president may execute all contracts, including construction contracts, entered into by the board on behalf of the district.

Sec. 9026.055. ABSENCE OR INACTION OF BOARD PRESIDENT. (a) When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power that this chapter or general law gives the president.

(b) If the board president is absent from a board meeting, the board vice president may sign an order adopted or other action taken at the meeting, or the board may authorize the president to sign the order or implement the action.
Sec. 9026.056. DISTRICT OFFICE. (a) The board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a district office outside the district, the board shall give notice of the location of that office by:

(1) filing a copy of the board resolution that establishes the location of the office:

(A) with the Texas Commission on Environmental Quality; and

(B) in the water control and improvement district records of each county in which the district is located; and

(2) publishing notice of the location of the office in a newspaper of general circulation in each county in which the district is located.

(c) A district office may be a private residence or office. A district office that is a private residence or office is a public place for matters relating to the district's business.

(d) The board shall give notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Sec. 9026.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has all of the rights, powers, privileges, and functions provided by general law applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.
Sec. 9026.102. ADDITIONAL POWERS. (a) The district may:
(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, or improvements, existing or to be made, constructed, or acquired, inside or outside the district's boundaries and necessary to carry out the powers granted by this chapter or general law; or
(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:
(A) the purchase or sale of water;
(B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;
(C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and
(D) the performance of any of the rights or powers granted by this chapter or general law.
(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9026.103. LIMIT ON EMINENT DOMAIN. The district may exercise the power of eminent domain only:
(1) in a county in which the district is located; and
(2) when necessary to carry out the purposes for which the district was created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9026.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing
comparable replacement without enhancement of the facility, after
deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain,
power of relocation, or any other power granted by this chapter makes
necessary the relocation, raising, rerouting, changing the grade, or
alteration of the construction of a highway, a railroad, an electric
transmission line, a telegraph or telephone property or facility, or
a pipeline, the necessary action shall be accomplished at the sole
expense of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

Sec. 9026.105. WATER, SEWER, OR DRAINAGE CONTRACTS; ELECTION
NOT REQUIRED; BONDS. (a) The district and a political subdivision
may enter into a water, sewer, or drainage contract or any
combination of those contracts without an election by any contracting
party to approve the contract.

(b) The district may pay for an obligation incurred under a
contract under this section by issuing bonds that, if otherwise
necessary, have been approved by the voters in the manner provided by
this chapter.

(c) The district may deliver the district's bonds to the United
States or an agency or instrumentality of the United States, or to
this state or an agency or instrumentality of this state, that enters
into a contract with the district under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

Sec. 9026.106. NOTICE OF ELECTION. Notice of an election may
be given under the hand of the board president or secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

Sec. 9026.107. DISTRICT RULES. The district shall adopt and
enforce reasonable and effective rules to secure and maintain safe,
sanitary, and adequate plumbing installations, connections, and appurtenances, as subsidiary parts of the district's sewerage system, to aid in preserving the quality of water within or controlled by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9026.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9026.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9026.153. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered:

(1) to each director; and
(2) to a holder of at least 25 percent of the outstanding bonds of the district, on request.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9026.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:

(1) district property; or
(2) a purchase made by the district.
Sec. 9026.155. DEPOSITORY. (a) The board shall select one or more banks in this state to act as depository for the district's money.

(b) To the extent that money in the depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(c) A director may be a shareholder in a bank that is a depository of district money.

Sec. 9026.201. ISSUANCE OF BONDS. (a) The district may issue tax bonds, revenue bonds, or tax and revenue bonds to provide money for any purpose of this chapter, including the acquisition of land.

(b) The district must issue bonds in the manner provided by Chapters 49 and 51, Water Code, except that the district may issue bonds payable solely from net revenue by resolution or order of the board without an election.

(c) Bonds issued under this subchapter may be payable from all or any designated part of the revenue of district property and facilities or under a specific contract, as provided in the order or resolution authorizing the issuance of the bonds.

Sec. 9026.202. ADDITIONAL SECURITY. (a) Within the discretion of the board, bonds issued under this subchapter may be additionally secured by a deed of trust or mortgage lien on physical property of the district and franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to that property, vesting in the trustee:
the power to sell the property for payment of the debt;
(2) the power to operate the property; and
(3) all other powers to further secure the bonds.

(b) A purchaser under a sale under the deed of trust or mortgage lien, if one is given:
(1) is the absolute owner of the property, facilities, and rights purchased; and
(2) may maintain and operate the property and facilities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9026.203. TRUST INDENTURE. A trust indenture created under Section 9026.202, regardless of the existence of a deed of trust or mortgage lien on the property, may:
(1) contain provisions prescribed by the board for the security of the bonds and the preservation of the trust estate;
(2) provide for amendment or modification of the trust indenture;
(3) provide for the issuance of bonds to replace lost or mutilated bonds;
(4) condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and
(5) provide for the investment of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9026.204. ORDER OR RESOLUTION AUTHORIZING ISSUANCE OF CERTAIN BONDS. (a) In an order or resolution authorizing the issuance of revenue, tax-revenue, revenue refunding, or tax-revenue refunding bonds, the board may:
(1) provide for:
   (A) the flow of money; and
   (B) the establishment and maintenance of the interest and sinking fund, reserve fund, or other fund;
(2) make additional covenants with respect to the bonds and the pledged revenue and the operation and maintenance of the
improvements and facilities the revenue of which is pledged, including provisions for the operation or leasing of all or part of the improvements and facilities and the use or pledge of money received from the operation contract or lease as the board considers appropriate;

(3) prohibit the further issuance of bonds or other obligations payable from the pledged revenue or reserve the right to issue additional bonds to be secured by a pledge of and payable from the revenue on a parity with, or subordinate to, the lien and pledge in support of the bonds being issued, subject to any conditions set forth in the order or resolution; and

(4) include any other provision or covenant, as the board determines, that is not prohibited by the Texas Constitution or this chapter.

(b) The board may adopt and execute any other proceeding or instrument necessary or convenient in the issuance of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9026.205. USE OF BOND PROCEEDS. (a) The district may appropriate or set aside out of proceeds from the sale of district bonds an amount for:

(1) the payment of interest, administrative, and operating expenses expected to accrue during the period of construction, as may be provided in the bond orders or resolutions; and

(2) the payment of all expenses incurred and to be incurred in the issuance, sale, and delivery of the bonds.

(b) For purposes of this section, the period of construction may not exceed three years.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

CHAPTER 9027. BOLIVAR YACHT BASIN WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 OF GALVESTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9027.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.

(3) "District" means the Bolivar Yacht Basin Water Control and Improvement District No. 1 of Galveston County.

Added by Acts 2007, 80th Leg., R.S., Ch. 1289 (H.B. 4112), Sec. 1, eff. September 1, 2007.

Sec. 9027.002. NATURE OF DISTRICT. The district is a water control and improvement district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1289 (H.B. 4112), Sec. 1, eff. September 1, 2007.

Sec. 9027.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 1289 (H.B. 4112), Sec. 1, eff. September 1, 2007.

SUBCHAPTER A-1. ORGANIZATION AND CONFIRMATION

Sec. 9027.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.
The commission shall appoint as temporary directors the five persons named in the first petition received by the commission.

If a temporary director fails to qualify for office, the commission shall appoint a person to fill the vacancy.

Temporary directors serve until the earlier of:

1. the date directors are elected under Section 9027.023;

or

2. the fourth anniversary of the effective date of the Act enacting this chapter.

If directors have not been elected under Section 9027.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:

1. the date directors are elected under Section 9027.023;

or

2. the fourth anniversary of the date of the appointment or reappointment.

If Subsection (e) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2007, 80th Leg., R.S., Ch. 1289 (H.B. 4112), Sec. 1, eff. September 1, 2007.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 585 (H.B. 3821), Sec. 2, eff. June 17, 2011.

Sec. 9027.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting shall be at the Galveston County Courthouse. At the meeting the temporary directors shall elect officers from among the temporary directors and conduct any other district business.
Sec. 9027.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

Sec. 9027.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 9027.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 9027.052 and which three shall serve until the second regularly scheduled election of directors.

Sec. 9027.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.  
(b) Directors serve staggered four-year terms.

Sec. 9027.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.
Sec. 9027.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, including the powers provided by Section 51.331, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 1289 (H.B. 4112), Sec. 1, eff. September 1, 2007.

Sec. 9027.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If a district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1289 (H.B. 4112), Sec. 1, eff. September 1, 2007.

Sec. 9027.103. NAVIGATION POWERS. The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to
accomplish the navigation purposes of the district under Chapters 60 and 62, Water Code, as authorized by Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 1289 (H.B. 4112), Sec. 1, eff. September 1, 2007.

Sec. 9027.104. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) Any new district created by the division of the district has all the powers and duties of the district.
(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.
(d) The board, on its own motion or on receipt of a petition signed by the owners of a majority of the assessed value of real property in the district according to the most recent certified appraisal roll for Galveston County, may adopt an order dividing the district.
(e) An order dividing the district shall:
(1) name each new district;
(2) include the metes and bounds of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities among the new districts.
(f) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order dividing the district with the Texas Commission on Environmental Quality and record the order in the real property records of Galveston County.
(g) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 49.102, Water Code.
(h) Any new district created by the division of the district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose a
maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 1289 (H.B. 4112), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 9027.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds issued under Section 9027.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 1289 (H.B. 4112), Sec. 1, eff. September 1, 2007.

**SUBCHAPTER E. BONDS**

Sec. 9027.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of projects under Sections 9027.101 and 9027.102.

(b) The district may not issue bonds to finance projects authorized by Section 9027.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 9027.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1289 (H.B. 4112), Sec. 1, eff. September 1, 2007.
Sec. 9028.002. NATURE OF DISTRICT. The district is a water control and improvement district under Section 59, Article XVI, Texas Constitution.

Sec. 9028.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the district and the improvements, works, and measures constructed and accomplished by the district.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 9028.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 2, Chapter 33, Acts of the 56th Legislature, Regular Session, 1959, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Sec. 9028.051. COMPOSITION OF BOARD. The board is composed of five elected directors.
eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9028.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9028.102. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, pipeline, or telephone or telegraph property or facility, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9028.103. WATERSHED PROTECTION AND FLOOD PREVENTION ACT. Subject to Section 9028.154, the district has the power necessary to fully qualify for and gain the full benefits of the Watershed Protection and Flood Prevention Act (16 U.S.C. Section 1001 et seq.), including:

(1) all powers necessary to carry out the projects, works, and improvements contemplated by the Watershed Protection and Flood Prevention Act;

(2) the power to secure a loan or loans from the proper agencies of the federal government for the purpose of defraying the costs and expenses of the district in connection with carrying out its projects, works, and improvements under the Watershed Protection and Flood Prevention Act; and

(3) if necessary, the power to issue bonds as collateral
for a loan described by Subdivision (2).

 Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 9028.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

 Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9028.152. LIMITATION ON TAX RATE. The district may not impose taxes under this subchapter at a rate that exceeds five cents per $100 valuation.

 Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9028.153. TAX ASSESSOR-COLLECTOR. The Grayson County tax assessor-collector shall collect taxes for the district and make them available for district purposes.

 Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9028.154. ELECTION REQUIRED FOR FEDERAL LOAN. The district may not consummate a loan from the federal government unless the loan is authorized by a majority of the votes cast in a district election.

 Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9028.155. APPROVAL OF AND FUNDING FOR CERTAIN PLANS FOR WORKS AND IMPROVEMENTS. (a) In this section, "commission" means the Texas Commission on Environmental Quality.

(b) This section applies only to plans contemplated by the district for works and improvements, or amendments to the plans, that are prepared by the Natural Resources Conservation Service of the United States Department of Agriculture and approved by the district's board.

(c) An engineer's report covering the plans and improvements to be constructed, and the maps, plats, profiles, and data fully showing and explaining the plans and improvements, are not required to be filed in the district office before an election is held to authorize the issuance of bonds for the works and improvements. The plans and specifications, engineering reports, profiles, maps, and other data, and subsequent amendments to those items, are not required to be approved by the commission before the bonds are issued.

(d) Before the district may spend any money for the construction of any works and improvements, the commission must approve the portion of the works and improvements to be constructed. The commission's advance approval for the entire project contemplated by the district is not required. The commission may approve on a separate or individual basis the portion of the entire project or works and improvements:

(1) to be constructed at a particular time; and

(2) on which plans and specifications of the Natural Resources Conservation Service have been prepared and submitted by the board to the commission.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER E. BONDS

Sec. 9028.201. AUTHORITY TO ISSUE BONDS. Subject to Section 9028.202, the district may issue bonds, in the manner provided by general law for water control and improvement districts, to:

(1) provide dams, structures, projects, and works of improvement for flood prevention, the conservation and development of water, and for other necessary plants, facilities, and equipment in connection therewith and for the improvement, repair, and operation
of same;
(2) carry out any other power provided by this chapter or
by Chapter 49 or 51, Water Code; and
(3) pay all costs, charges, and expenses of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
eff. April 1, 2017.

Sec. 9028.202. BOND ELECTION REQUIRED. The district may not
issue bonds unless the bonds are authorized by a majority of the
votes cast in a district election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
eff. April 1, 2017.

CHAPTER 9029. CLEAR LAKE CITY WATER AUTHORITY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9029.001. DEFINITIONS. In this chapter:
(1) "Authority" means the Clear Lake City Water Authority.
(2) "Board" means the authority's board of directors.
(3) "Director" means a board member.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

Sec. 9029.002. NATURE OF AUTHORITY. The authority is a
conservation and reclamation district in Harris County created under
Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

Sec. 9029.003. LEGISLATIVE DECLARATION AND FINDINGS. (a) The
legislature declares that:
(1) the creation of the authority is essential to
accomplish the purposes of Section 59, Article XVI, Texas
Constitution; and
(2) this chapter addresses a subject in which the state and
genral public are interested.

(b) The legislature finds that:
(1) all land and other property included in the boundaries
of the authority will benefit from the works and projects
accomplished by the authority under the powers conferred by Section
59, Article XVI, Texas Constitution; and
(2) the authority is created to serve a public use and
benefit.

(c) The accomplishment of the purposes stated in this chapter
is for the benefit of the people of this state and for the
improvement of their property and industries. The authority in
carrying out the purposes of this chapter will be performing an
essential public function under the Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

Sec. 9029.004. AUTHORITY TERRITORY. (a) The authority is
composed of the territory described by Section 2, Chapter 101, Acts
of the 58th Legislature, Regular Session, 1963, as that territory may
have been modified under:
(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 20, Chapter 101, Acts of the 58th Legislature,
Regular Session, 1963; or
(4) other law.

(b) The boundaries of the authority form a closure. A mistake
in the field notes or in copying the field notes in the legislative
process does not affect:
(1) the authority's organization, existence, or validity;
(2) the authority's right to issue bonds or to pay the
principal of and interest on the bonds;
(3) the authority's right to impose a tax; or
(4) the legality or operation of the authority or the
board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.
Sec. 9029.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the authority by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect the purposes, powers, and rights stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9029.051. COMPOSITION OF BOARD. The board consists of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.052. ELIGIBILITY. A person may not be appointed or elected a director unless the person:

(1) owns taxable property in the authority; and
(2) resides in the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.053. OFFICERS. (a) The board shall elect from among its members a president, secretary, and any other officers the board determines are necessary.

(b) The board may appoint a treasurer.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
Sec. 9029.054. DIRECTOR'S AND TREASURER'S BONDS. (a) Each
director shall give bond in the amount of $5,000 for the faithful
performance of the director's duties.

(b) The treasurer shall give bond in the amount required by the
board, conditioned on the treasurer's faithful accounting for all
money that comes into the treasurer's custody as authority treasurer.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9029.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS.
The authority has the rights, powers, privileges, and functions
provided by general law applicable to a water control and improvement
district created under Section 59, Article XVI, Texas Constitution,
including Chapters 49 and 51, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

Sec. 9029.102. ADDITIONAL POWERS. (a) The authority may:
(1) purchase, construct, or otherwise acquire and
accomplish by any practical means a waterworks system, sanitary sewer
system, storm sewer system, or drainage facility or any part of those
systems or facilities;

(2) make any necessary purchase, construction, improvement,
extension, addition, or repair to a system or facility described by
Subdivision (1);

(3) purchase or acquire, operate, and maintain any land,
right-of-way, easement, site, equipment, building, plant, structure,
or facility necessary to a system or facility described by
Subdivision (1); and

(4) sell water and other services at rates fixed by the
authority.

(b) The authority may exercise any of the rights or powers
granted by this chapter inside or outside the authority's boundaries.
Sec. 9029.103. CONTRACT FOR DEVELOPMENT OF LAND AND PROPERTY. The authority may enter into a contract with a political subdivision or with an owner, developer, or lessee of land and property as necessary or appropriate to a continuing and orderly plan of development of the land and property through the purchase, construction, or installation of facilities, works, or improvements that the authority is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land may, under the contract, ultimately receive the services of the facilities, works, or improvements.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.104. ELECTION NOT REQUIRED FOR CERTAIN CONTRACTS. A municipality may enter into a water, sewer, or drainage contract, or any combination of those contracts, with the authority without the necessity of an election by any contracting party to approve the contract.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.105. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the authority's exercise of the power of eminent domain, the power of relocation, or any other power makes necessary the relocation, raising, rerouting, changing the grade, or alteration of the construction of a highway, a railroad, an electric transmission line, a telephone or telegraph property or facility, or a pipeline,
the necessary action shall be accomplished at the sole expense of the authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.106. BID ON PROPOSED CONSTRUCTION WORK. (a) A person who submits a written sealed bid on proposed construction work for the authority must submit with the bid an amount equal to at least five percent of the total amount of the bid in the form of a:

(1) certified or cashier's check on a responsible bank in this state; or

(2) bidder's bond.

(b) If a successful bidder fails or refuses to enter into a proper contract with the authority or provide a bond required by law, the bidder forfeits the amount of the check or bond that accompanied the bidder's bid.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9029.151. TAX METHOD. (a) The authority shall use the ad valorem plan of taxation.

(b) The board is not required to call a hearing on the adoption of a plan of taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.152. AUTHORITY ACCOUNTS. The authority shall keep a complete system of the authority's accounts.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.153. FISCAL YEAR. The fiscal year of the authority
is from October 1 to September 30 of the following year, unless changed by the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.154. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered:

(1) to each director; and
(2) to a holder of at least 25 percent of the outstanding bonds of the authority, on request.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.155. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The authority is not required to pay a tax or assessment on authority property or any part of authority property.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.156. POWER TO BORROW MONEY AND ACCEPT GRANTS OR OTHER SUPPORT. (a) The authority may borrow money for the authority's corporate purposes, including taking a loan or accepting a grant, gratuity, or other support from the United States, this state, or a corporation or agency created or designated by the United States or this state.

(b) In connection with the loan, grant, or other support, the authority may enter into any arrangement the board considers advisable.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.157. DEPOSITORY. (a) The board shall designate one
or more banks inside or outside the authority to serve as a depository for authority money.

(b) All authority money shall be deposited in a depository bank, except that sufficient money shall be remitted to the appropriate bank of payment to pay the principal of and interest on the authority's outstanding bonds on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

**SUBCHAPTER E. BONDS**

Sec. 9029.201. AUTHORITY TO ISSUE BONDS. The authority may issue bonds for an authority purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.202. ISSUANCE OF REVENUE BONDS. The board may issue, by resolution and without a hearing or an election, bonds payable solely from net revenue of the authority's operation or from the proceeds of any contract for the authority's services.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9029.203. BONDS EXEMPT FROM TAXATION. An authority bond, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.
For contingent expiration of this chapter, see Section 9030.004.

CHAPTER 9030. BURNET COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9030.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Burnet County Water Control and Improvement District No. 1.
(4) "Project" means a program or project authorized by this chapter or general law, to be undertaken inside or outside the boundaries of the district, that is necessary to accomplish the public purposes of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 945 (H.B. 3990), Sec. 1, eff. September 1, 2007.

Sec. 9030.002. NATURE OF DISTRICT. The district is a water control and improvement district in Burnet County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 945 (H.B. 3990), Sec. 1, eff. September 1, 2007.

Sec. 9030.003. LEGISLATIVE FINDINGS. The legislature finds that:
(1) all of the land and other property included in the boundaries of the district will be benefited by the works and projects that are to be accomplished by the district pursuant to the powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution; and
(2) the district serves a public use and benefit.

Added by Acts 2007, 80th Leg., R.S., Ch. 945 (H.B. 3990), Sec. 1, eff. September 1, 2007.

Sec. 9030.004. CONFIRMATION ELECTION REQUIRED. If the creation
of the district is not confirmed at a confirmation election held under Section 9030.023 before September 1, 2011:

1. the district is dissolved September 1, 2011, except that:
   A. any debts incurred shall be paid;
   B. any assets that remain after the payment of debts shall be transferred to Burnet County; and
   C. the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
2. this chapter expires September 1, 2014.

Added by Acts 2007, 80th Leg., R.S., Ch. 945 (H.B. 3990), Sec. 1, eff. September 1, 2007.

Sec. 9030.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

1. the organization, existence, or validity of the district;
2. the right of the district to impose taxes; or
3. the legality or operation of the district or the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 945 (H.B. 3990), Sec. 1, eff. September 1, 2007.

Sec. 9030.006. APPLICABILITY OF ADMINISTRATIVE PROVISIONS OF OTHER LAW; CONFLICT OF LAW. The district shall operate as a water control and improvement district and comply with the administrative provisions of Chapter 51, Water Code, except as otherwise provided by this chapter. The district shall also comply with Chapter 49, Water Code, to the extent that chapter does not conflict with Chapter 51 of that code. If there is a conflict between Chapters 49 and 51, Water Code, Chapter 51 controls.
Sec. 9030.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the legislative findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9030.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.
(b) Directors serve staggered four-year terms.

Sec. 9030.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9030.101. WATER CONTROL AND IMPROVEMENT DISTRICT AND MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state applicable to:
(1) water control and improvement districts, including Chapters 49 and 51, Water Code; and
(2) municipal utility districts, including Chapter 54, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 945 (H.B. 3990), Sec. 1, eff. September 1, 2007.
Sec. 9030.102. ROAD PROJECTS. To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads.

Added by Acts 2007, 80th Leg., R.S., Ch. 945 (H.B. 3990), Sec. 1, eff. September 1, 2007.

Sec. 9030.103. CONTRACT WITH POLITICAL SUBDIVISION FOR WATER OR SEWER SERVICES. (a) The district may enter into a contract to allow a political subdivision to provide retail water or sewer service in the district. The contract may contain terms the board considers desirable, fair, and advantageous to the district.

(b) The contract may provide that the district will construct or acquire and convey to the political subdivision a water supply or treatment system, a water distribution system, or a sanitary sewage collection or treatment system, as necessary to provide water or sewer service in the district.

(c) The district may use bond proceeds or other available district money to pay for its obligations under, or for services or facilities provided under, the contract.

(d) If the contract requires the district to make payments from taxes other than operation and maintenance taxes, the contract is subject to Section 49.108, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 945 (H.B. 3990), Sec. 1, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9030.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 9030.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 945 (H.B. 3990), Sec. 1, eff. September 1, 2007.
SUBCHAPTER E. BONDS

Sec. 9030.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49, 51, and 54, Water Code, to finance:
   (1) the construction, maintenance, or operation of projects under Sections 9030.101 and 9030.102; or
   (2) the district's contractual obligations under Section 9030.103.
(b) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money.
(c) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 9030.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.
(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 9030.101 or 9030.102 or contractual obligations under Section 9030.103 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 945 (H.B. 3990), Sec. 1, eff. September 1, 2007.

CHAPTER 9032. COKE COUNTY KICKAPOO WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9032.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Coke County Kickapoo Water Control and Improvement District No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.002. NATURE OF DISTRICT. The district is a conservation, reclamation, and improvement district in Coke County.
Sec. 9032.003. FINDINGS OF BENEFIT. All territory included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Sec. 9032.004. APPLICABILITY OF OTHER WATER CONTROL AND IMPROVEMENT DISTRICT LAW. Except as provided in this chapter, general laws pertaining to water control and improvement districts govern the district.

SUBCHAPTER B. DISTRICT TERRITORY

Sec. 9032.051. DISTRICT TERRITORY. The district is composed of the territory described by Section 2, Chapter 17, Acts of the 56th Legislature, 1st Called Session, 1959, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Sec. 9032.052. HEARING FOR EXCLUSION OF TERRITORY. A hearing is not required for the exclusion of territory from the district.
SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 9032.101. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.102. QUALIFICATIONS FOR OFFICE. A director must be:
(1) at least 18 years of age;
(2) a resident of the state and district; and
(3) an owner of taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.103. ELECTION OF DIRECTORS. (a) An election order for a directors' election must state the time, place, and purpose of the election.
(b) Notice of a directors' election must be published in a newspaper of general circulation in the district for two consecutive weeks in not less than two publications at least 20 days before the date of the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.104. ELECTION RESULTS. (a) The candidates receiving the highest number of votes shall be elected.
(b) The board shall declare the results of the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.105. BALLOT PROCEDURE FOR CANDIDATES. (a) A person who wants the person's name printed on the ballot as a candidate for director must submit a petition to the board secretary requesting that action.
(b) The petition must be:
   (1) signed by at least 15 qualified voters; and
   (2) presented to the board secretary not later than the 21st day before the date of the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.106. DIRECTOR'S BOND. Each director shall make bond in the amount of $5,000 payable to the county judge of Coke County for the faithful performance of the director's duties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.107. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.108. ABSENCE OR INACTION OF BOARD PRESIDENT. When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter gives the president.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.109. APPOINTMENT OR EMPLOYMENT OF SECRETARY AND TREASURER. (a) The board may appoint or employ a secretary. The secretary shall also serve as treasurer.
   (b) The secretary is not required to be a director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.
Sec. 9032.110. SECRETARY'S BOND. (a) The secretary shall make bond in an amount required by the board, conditioned on the secretary's faithfully accounting for all money that comes into the secretary's custody as district treasurer.  
(b) The bond must be payable to the order of the county judge of Coke County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.111. EMPLOYEES. The board may employ a general manager, attorney, engineer, or other technical or nontechnical employees or assistants and set the amount and manner of their compensation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.112. SEAL. The board may adopt a seal for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 9032.151. GENERAL POWERS. (a) The district may exercise the rights, privileges, functions, and authority granted water control and improvement districts by:

(1) Chapters 49 and 51, Water Code; and
(2) all other laws relating to water control and improvement districts.

(b) To the extent a general law described by Subsection (a) conflicts or is inconsistent with this chapter, this chapter prevails.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.
Sec. 9032.152. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. To accomplish a purpose for which the district is created, the district has the powers conferred by the general laws of this state on water control and improvement districts, including the power to:

(1) construct, acquire, improve, maintain, and repair a dam or other structure; and

(2) acquire land easements, rights, property, or equipment needed to use, control, or distribute water that may be impounded, diverted, or controlled by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.153. CONTROL OF WATER AND FLOODWATER; RECLAMATION. The district has the power to:

(1) control, store, preserve, and distribute the water and floodwater in the district for the irrigation of arid land, conservation, preservation, reclamation, and drainage of the lands in the district;

(2) carry out flood prevention measures to prevent damage to land and other property in the district; and

(3) reclaim lands heretofore damaged because of the failure to provide the facilities authorized under this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.154. POWERS RELATING TO THE WATER OF KICKAPOO CREEKS; SURVEYS, MAPS, AND PLANS. (a) The district may conduct preliminary surveys and develop and map out a plan for the control and use of the water of Kickapoo Creeks to the end that improvements on any part of the watershed will be mechanically and economically related to the improvements of the entire watershed.

(b) On the completion of the survey, map, or plan and the adoption of the survey, map, or plan by the board, a certified copy of the survey, map, or plan must be filed for informational purposes with the Texas Commission on Environmental Quality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
Sec. 9032.155. GENERAL PROPERTY POWER. In addition to powers granted the district under other law, the district has the power to purchase, construct, maintain, condemn, or in any other manner acquire, provide, and develop all works, facilities, improvements, lands, easements, rights, and other properties in the district that may be necessary or useful in fulfilling the purposes of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.156. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter makes necessary the relocating, raising, rerouting, changing grades of, or altering the construction of any highway, railroad, electric transmission line, pipeline, telephone, or telegraph property or facility, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.157. SURVEYS; ENGINEERING INVESTIGATIONS. The board may conduct or provide for surveys and engineering investigations for the district and its associates or affiliates to accomplish district purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.158. EQUIPMENT; SUPPLIES. The board may provide equipment and supplies considered essential to properly maintain the district.
Sec. 9032.159. COOPERATION IN WILDLIFE PROGRAMS. The district may cooperate with state, federal, and other agencies and groups in wildlife programs that are:

1. not inconsistent with the purposes of this chapter; and
2. designed to improve the general habitat of wildlife and promote the general propagation of wildlife.

Sec. 9032.201. HEARING ON CHANGE IN METHOD OF TAXATION; LIMITATION. (a) Except as provided by Subsection (b), the district may call a hearing to consider changing the method of taxation.

(b) Once district bonds are approved by the attorney general or district court, the district may not change the plan of taxation.

Sec. 9032.202. MAINTENANCE TAX ELECTION PROCEDURES. (a) A maintenance tax election shall be called and notice given in the same manner as for a bond election.

(b) This chapter does not prevent the calling of a later maintenance tax election to establish or increase the amount of tax if the board determines that a maintenance tax election is required.

Sec. 9032.203. MAINTENANCE TAX RATE. In calling a maintenance tax election, the board must specify the maximum proposed tax rate. To impose a maintenance tax at a rate that exceeds the maximum proposed rate approved by the voters, the board must submit the...
question of a tax rate increase to the voters.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

**SUBCHAPTER F. BONDS**

Sec. 9032.251. ISSUANCE OF BONDS. To accomplish a district purpose, the district may issue bonds as provided by general law for water control and improvement districts to obtain money necessary to furnish land, easements, or improvements, to maintain a structure, or for channeling, or other works of improvement performed or constructed by the district or others in cooperation with the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9032.252. PLEDGE OF REVENUE TO PAY BONDS. When the board selects a plan of taxation, the board may pledge district revenue to pay bonds authorized by voters.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

**CHAPTER 9033. COMMODORE COVE IMPROVEMENT DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 9033.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Commodore Cove Improvement District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Brazoria County created
Sec. 9033.003. FINDINGS OF PUBLIC BENEFIT AND PUBLIC PURPOSE.  
(a) The district is created to serve a public use and benefit.  
(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.  
(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.  
(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.004. DISTRICT TERRITORY.  
(a) The district is composed of the territory described by Section 2, Chapter 598, Acts of the 59th Legislature, Regular Session, 1965, as that territory may have been modified under:  
(1) Subchapter O, Chapter 51, Water Code;  
(2) Subchapter J, Chapter 49, Water Code;  
(3) Section 9033.005 of this chapter or its predecessor statute, former Section 16, Chapter 598, Acts of the 59th Legislature, Regular Session, 1965; or  
(4) other law.  
(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:  
(1) the district's organization, existence, or validity;  
(2) the district's right to issue any type of bond or to pay the principal of and interest on the bond;  
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.005. EXPANSION OF DISTRICT. (a) Except as otherwise provided by this section, the district may annex territory as provided by Section 49.302, Water Code.

(b) Territory may not be annexed to the district without the written consent of:

(1) all lienholders of record in Brazoria County; and

(2) at least a three-fourths majority of all landowners in the territory to be annexed whose land must also constitute at least three-fourths of the value of all land in the territory to be annexed, as shown by the tax rolls of the county in which the territory to be annexed is located.

(c) A finding by the district that the requirements of Subsection (b) have been met is:

(1) conclusive for all purposes; and

(2) not subject to judicial review.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.006. HEARINGS FOR EXCLUSION OF LAND. (a) The board is not required to call or hold a hearing on the exclusion of land or other property from the district.

(b) This section may not be construed to prevent the board on its own motion from calling and holding an exclusion hearing under general law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 9033.051. BOARD OF DIRECTORS. (a) The board consists of five elected directors.

(b) To be appointed as a director, a person must:
be at least 18 years of age; and
(2) reside in this state.
(c) Such director is not required to reside in the district.
(d) Such director is not required to own land in the district, but before the district awards any construction contracts, each director must own land in the district subject to district taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.052. NOTICE OF DIRECTORS' ELECTION. At least 30 days before the date of a directors' election, notice of the election must be published at least once in a newspaper of general circulation in Brazoria County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.053. DIRECTOR'S BOND. Each director shall give a bond in the amount of $5,000 for the faithful performance of the director's duties.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.054. DUTY OF SECRETARY; ABSENCE OF SECRETARY FROM BOARD MEETING. (a) The board secretary shall sign the minutes of each board meeting.

(b) If the board secretary is absent from a board meeting, the board shall name a secretary pro tem for the meeting who may:
   (1) exercise all powers and duties of the secretary for the meeting;
   (2) sign the minutes of the meeting; and
   (3) attest all orders passed or other action taken at the meeting.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.
Sec. 9033.055. VOTE BY BOARD PRESIDENT. The board president has the same right to vote as any other director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.056. ABSENCE OR INACTION OF BOARD PRESIDENT. When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter or general law gives the president.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9033.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.102. ADDITIONAL POWERS. (a) The district may:
1. purchase, construct, or otherwise acquire a waterworks system, sanitary sewer system, storm sewer system, or drainage facility or any part of those systems or facilities;
2. make any purchase, construction, improvement, extension, addition, or repair necessary to a system or facility described by Subdivision (1);
3. purchase or otherwise acquire, operate, and maintain any land, right-of-way, easement, site, equipment, building, plant, structure, or facility necessary for a system or facility described by Subdivision (1); and
4. sell water and other services.
(b) The district may exercise any of the rights or powers granted by this chapter inside or outside the district's boundaries, but only in Brazoria County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.103. LIMIT ON EMINENT DOMAIN POWER. The district may exercise the power of eminent domain only in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary the relocating, raising, rerouting, changing the grade, or altering of the construction of a highway, railroad, electric transmission line, telegraph or telephone property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.105. NOTICE OF ELECTION. Notice of an election may be given under the hand of the board president or secretary.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 9033.151. TAX METHOD. (a) The district shall use the ad
valorem plan of taxation.
(b) The board is not required to call or hold a hearing on the
adoption of a plan of taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

Sec. 9033.152. DEPOSITORY. (a) The board shall select one or
more banks or trust companies in this state to act as a depository of
bond proceeds or of revenue derived from the operation of district
facilities.
(b) The depository shall, as determined by the board:
(1) furnish indemnity bonds;
(2) pledge securities; or
(3) meet any other requirements.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

Sec. 9033.153. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The
district is not required to pay a tax or assessment on:
(1) a district project or any part of the project; or
(2) a district purchase.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

SUBCHAPTER E. BONDS

Sec. 9033.201. AUTHORITY TO ISSUE BONDS. The district may
issue bonds of any kind to carry out any purpose authorized by this
chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06,
eff. April 1, 2015.

Sec. 9033.202. EXCHANGING BONDS FOR PROPERTY OR WORK. The
district may exchange bonds, including refunding bonds:

(1) for property acquired by purchase; or
(2) in payment of the contract price of work done or materials or services furnished for the use and benefit of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.203. FAILED BOND ELECTION. (a) A general law, including Sections 51.781-51.791, Water Code, that provides for calling a hearing on the dissolution of a district after a failed district bond election does not apply to the district.

(b) Six months after the date of a failed bond election, the board may call a subsequent bond election.

(c) The district continues to exist and retain its full power to function and operate regardless of the outcome of a bond election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

Sec. 9033.204. BONDS EXEMPT FROM TAXATION. A bond issued under this chapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.06, eff. April 1, 2015.

CHAPTER 9034. FORT BEND COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 10

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9034.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Fort Bend County Water Control and Improvement District No. 10.
Sec. 9034.002. NATURE OF DISTRICT. The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Sec. 9034.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 9034.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 9034.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 9034.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of: (1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
Sec. 9034.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Sec. 9034.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 9034.052, directors serve staggered four-year terms.

Sec. 9034.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Jay Henry;
(2) Mark Schindler;
(3) David Vercellino;
(4) Chris Sitka; and
(5) Chrystal Seymour.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section
9034.003; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 9034.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 9034.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.

**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 9034.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.

Sec. 9034.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.
Sec. 9034.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.

Sec. 9034.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.

Sec. 9034.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 42.042, Local Government Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.
Sec. 9034.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 9034.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.

Sec. 9034.107. FIRE DEPARTMENTS. (a) The district may contract with the City of Richmond to perform firefighting services in the district on the same terms that the municipality provides firefighting services in the extraterritorial jurisdiction of the municipality. The district, with voter approval, may issue bonds payable from ad valorem taxes to pay for capital costs required under the contract, including:

(1) the construction and purchase of facilities, land, and equipment; and

(2) the provision of adequate water supply.

(b) Notwithstanding Sections 49.351(g), (h), and (i), Water Code, if the district contracts with the City of Richmond to provide firefighting services in the district, the district is not required to submit a fire plan to the Texas Commission on Environmental Quality for approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9034.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 9034.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.

Sec. 9034.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 9034.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.

Sec. 9034.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 9034.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 9034.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Section 51.433, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.

Sec. 9034.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 219 (S.B. 1241), Sec. 1, eff. May 27, 2009.

CHAPTER 9035. CROCKETT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9035.001. DEFINITIONS. In this chapter:
1. "Board" means the district's board of directors.
2. "Director" means a board member.
3. "District" means the Crockett County Water Control and Improvement District No. 1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 62 (H.B. 1944), Sec. 1, eff. May 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9035.051. ELECTION OF DIRECTORS. (a) Notwithstanding Section 49.103(b), Water Code, on the uniform election date in
November of each even-numbered year, the district shall hold an election to elect the appropriate number of directors to the board.

(b) The election may be held at any location that is in the boundaries of:

(1) the district; and
(2) Crockett County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 62 (H.B. 1944), Sec. 1, eff. May 17, 2011.

CHAPTER 9036. WILLIAMSON–TRAVIS COUNTIES WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1G

Sec. 9036.001. DEFINITION. In this chapter, "district" means the Williamson-Travis Counties Water Control and Improvement District No. 1G.

Added by Acts 2013, 83rd Leg., R.S., Ch. 799 (S.B. 1480), Sec. 1, eff. September 1, 2013.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 1083, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 9036.002. REMOVAL OF AREA FROM EMERGENCY SERVICES DISTRICT. (a) This section applies only to:

(1) a municipality with a population of less than 100,000; and

(2) an emergency services district operating under Chapter 775, Health and Safety Code, in which the district is wholly or partly located.

(b) If the district enters into a strategic partnership agreement with a municipality under Section 43.0751, Local Government Code, that includes the provision of fire-fighting services as defined by Section 49.351(k), Water Code, and the district has completed all other procedures necessary for a limited-purpose annexation by that municipality, an emergency services district shall disannex the territory of the district to be served by the municipality under the agreement in accordance with Subsection (c).

(c) The territory remains part of the emergency services
district until the secretary of the emergency services district board receives from the district notice that the requirements of Subsection (b) have been met. On receipt of the notice, the board shall immediately change its records to show that the district territory has been disannexed from the emergency services district and shall cease to provide further services to the residents of that territory.

(d) Sections 775.022(b), (c), (d), (e), and (f), Health and Safety Code, apply to a disannexation under this section, as if the disannexation occurred under the provisions of Section 775.022(a), Health and Safety Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 799 (S.B. 1480), Sec. 1, eff. September 1, 2013.

CHAPTER 9037. COMAL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 6

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9037.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Comal County Water Control and Improvement District No. 6.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.002. NATURE OF DISTRICT. The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.
Sec. 9037.004. CONSENT REQUIRED. (a) The temporary directors may not hold an election under Section 9037.003 until:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district;

(2) each municipality in whose extraterritorial jurisdiction the district is located has:

(A) approved and entered into a strategic partnership agreement with the district under Section 43.0751, Local Government Code; and

(B) approved and entered into a development agreement with the owners of land in the district under Section 212.172, Local Government Code;

(3) an agreement that addresses the provision of water and wastewater treatment to the land in the district has been approved and entered into by:

(A) each municipality in whose extraterritorial jurisdiction the district is located;

(B) the commissioners court of each county in which the district is located;

(C) a retail or wholesale provider of water and wastewater treatment; and

(D) the owners of land in the district;

(4) the commissioners court of each county in which the district is located has issued an order making the findings under Sections 51.021(a)(1), (2), (3), and (4), Water Code; and

(5) the commissioners court of each county in which the district is located has approved and entered into an agreement with the district that must include, but is not limited to, provisions relating to the use of county right-of-way, the district's exercise of the power of eminent domain outside the boundaries of the district, drainage serving the land in the district, platting of land in the district, and the provision of water and wastewater treatment to the land in the district.

(b) A municipality that contains district territory in its
corporate limits or extraterritorial jurisdiction may include in its consent to the creation of the district any restriction on or condition to the consent, including a limitation on the powers of the district otherwise granted by this chapter.

(c) Sections 51.022 through 51.025, Water Code, do not apply to the district or the order of the county under Subsection (a)(4).

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.005. EXTRATERRITORIAL STATUS. All of the land included in the district, as approved by the City of Bulverde for inclusion in the district, is included in the extraterritorial jurisdiction of the City of Bulverde on adoption of the resolution or ordinance consenting to the creation of the district by the governing body of the City of Bulverde.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.006. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution, as limited by this chapter, including the disposal of waste and control of storm water; and

(2) Section 52, Article III, Texas Constitution, as limited by this chapter, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.007. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the
Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9037.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 9037.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

1. Shannon Miller;
2. Jim Leonard;
3. David Rittenhouse;
4. George Weron; and
5. Blaine Lopez.

(b) Temporary directors serve until the earlier of:

1. the date permanent directors are elected under Section 9037.003; or
2. the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 9037.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as
provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 9037.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9037.101. GENERAL POWERS AND DUTIES. The district has the powers and duties, as limited by this chapter, necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, including the powers and duties that relate to the disposal of waste and control of storm water under Section 51.331, Water Code, as limited by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, as limited by this chapter, the
district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 9037.103 unless:
(1) the proposed road project complies with applicable municipal or county subdivision ordinances or regulations; or
(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.
(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 42.042 or 42.0425, Local Government Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.106. LIMITATION ON USE OF EMINENT DOMAIN. (a) The district shall not exercise the power of eminent domain outside the district to acquire a site or easement for:
(1) a road project authorized by Section 9037.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

(b) The district shall not exercise the power of eminent domain outside the boundaries of the district for any purpose unless the proposed exercise is approved by a written resolution of the commissioners court of each county in which the district is located.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.107. WATER AND WASTEWATER INFRASTRUCTURE. The district may not construct any water or wastewater improvement unless the plans and specifications for the improvement have been approved by Comal County, the City of Bulverde, and any wholesale provider of water or wastewater treatment to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9037.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 9037.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.152. OPERATION AND MAINTENANCE TAX. (a) If
authorized at an election held under Section 9037.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 9037.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

Sec. 9037.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Section 51.433, Water Code.
Sec. 9037.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1096 (H.B. 4811), Sec. 1, eff. June 19, 2009.

CHAPTER 9038. COMAL COUNTY WATER IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9038.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Comal County Water Improvement District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.002. NATURE OF DISTRICT. The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.
Sec. 9038.004. CONSENT OF MUNICIPALITY AND DEVELOPMENT AGREEMENT REQUIRED. (a) The temporary directors may not hold an election under Section 9038.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and

(2) entered into a development agreement under Section 212.172, Local Government Code, with the retail public utility owned by the municipality that addresses water and wastewater issues and with the owners of land in the district that addresses relevant issues, including:

(A) the provision of services other than water or wastewater services to land in the district, including emergency services and solid waste collection;

(B) traffic and roadway impacts caused by the creation of the district;

(C) the amount of debt to be issued by the district or any new district created by the division of the district;

(D) a plan for dividing the district, including the number, location, and size of any new districts created by the division of the district;

(E) fire flow; and

(F) a prohibition against a retail public utility, as defined by Section 13.002, Water Code, other than the retail public utility owned by the municipality, from providing retail water or wastewater service to the property in the district or a new district created by the division of the district.

(b) The development agreement may not contain a provision prohibited by Section 212.174, Local Government Code, in relation to the provision of utility service.

(c) A confirmation election held in violation of this section is void.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.
Sec. 9038.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9038.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 9038.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.
Sec. 9038.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Donnie Shaw;
(2) Bob Shemwell;
(3) Joe Dawson;
(4) Dick Nevitt; and
(5) Robert Whitley.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 9038.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.
(c) If permanent directors have not been elected under Section 9038.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 9038.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9038.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.
Sec. 9038.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, and including powers relating to sanitary sewer.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.105. WATER AND WASTEWATER INFRASTRUCTURE. (a) The
district may not construct a water or wastewater facility unless any municipality in whose corporate limits or extraterritorial jurisdiction the facility is located at the time of construction has approved the plans and specifications of the facility.

(b) On completion of a water or wastewater facility described in a development agreement between the district and a municipality, the district shall convey the facility to the municipality or to the retail public utility owned by the municipality, free of all liens, claims, or encumbrances, in the form and manner acceptable to the municipality or retail public utility.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION AND DEVELOPMENT AGREEMENT. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 42.042, Local Government Code, and that consents to the creation of the district or to the inclusion of land in the district.

(b) Notwithstanding other law, a municipality may place a condition or restriction on the creation of the district or inclusion of land in the district that is:

(1) expressly permitted by Sections 54.016(e) and (i), Water Code; or

(2) contained in the development agreement entered into under Section 212.172, Local Government Code, and this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 9038.103; or

(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff.
Sec. 9038.108. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 9038.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 9038.003.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 9038.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the
new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.109. LIMITATION ON ANNEXATION OF LAND BY DISTRICT. The district or any new district created by the division of the district may not annex land outside the area described by Section 2 of the Act creating this chapter without the consent of each municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act creating this chapter is located.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT. For the purposes of Section 43.003(2), Local Government Code, or other law, including a municipal charter or ordinance relating to annexation, an area adjacent to the district or any new district created by the division of the district is considered adjacent to a municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act creating this chapter is located.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Amended by:
Acts 2017, 85th Leg., 1st C.S., Ch. 6 (S.B. 6), Sec. 52, eff. December 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9038.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations
secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 9038.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 9038.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.
SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

Sec. 9038.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.202.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Section 51.433, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

Sec. 9038.203.  BONDS FOR ROAD PROJECTS.  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 584 (S.B. 2464), Sec. 1, eff. June 19, 2009.

CHAPTER 9039.  COMAL COUNTY WATER IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 9039.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Comal County Water Improvement District No. 2.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff.
Sec. 9039.002. NATURE OF DISTRICT. The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The temporary directors may not hold an election under Section 9039.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b) A confirmation election held in violation of this section is void.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or
improvements, including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9039.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 9039.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons
named in the petition.

(b) Temporary directors serve until the earlier of:
   (1) the date permanent directors are elected under Section 9039.003; or
   (2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 9039.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
   (1) the date permanent directors are elected under Section 9039.003; or
   (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9039.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, and including powers relating to sanitary sewer systems.
Sec. 9039.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 9039.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 9039.105. CHANGE IN SURFACE LAND USE. The district may not develop the surface of any land in the district for purposes other than mining, quarrying, or water resource development, retention, and distribution unless:

(1) the municipality in whose corporate limits or extraterritorial jurisdiction the land is located and the owner or owners of the land enter into a development agreement under Section 212.172, Local Government Code; and
the change in use of the land complies with the development agreement described by Subdivision (1).

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 42.042, Local Government Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 9039.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.108. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of
the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 9039.003 to confirm the district's creation.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 9039.003. If the voters of a new district do not confirm the creation of the new district, the assets, obligations, territory, and governance of the new district revert to the original district.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 9039.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.109. LIMITATION ON ANNEXATION OF LAND BY DISTRICT.
(a) Except as provided by Subsection (b), the district or any new district created by the division of the district may not annex land outside the area described by Section 2 of the Act creating this
chapter without the consent of each municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act creating this chapter is located.

(b) The district or any new district created by the division of the district may annex land adjacent to the area described by Section 2 of the Act creating this chapter for mining, quarrying, or water resource development, retention, and distribution purposes without the consent of a municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act creating this chapter is located.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT. For the purposes of Section 43.003(2), Local Government Code, or other law, including a municipal charter or ordinance relating to annexation, an area adjacent to the district or any new district created by the division of the district is considered adjacent to a municipality in whose corporate limits or extraterritorial jurisdiction any of the land in the area described by Section 2 of the Act creating this chapter is located.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Amended by:
Acts 2017, 85th Leg., 1st C.S., Ch. 6 (S.B. 6), Sec. 53, eff. December 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9039.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 9039.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(d) The district may not hold an election to authorize the issuance of bonds payable from ad valorem taxes to finance water and wastewater facilities to provide water and wastewater service for uses other than mining, quarrying, or water resource development, retention, and distribution unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located and the owners of land in the district enter into a development agreement under Section 212.172, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 9039.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.
SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 9039.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Section 51.433, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

Sec. 9039.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 583 (S.B. 2463), Sec. 1, eff. June 19, 2009.

CHAPTER 9040. MONTGOMERY COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9040.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Montgomery County Water Control and Improvement District No. 3.
Sec. 9040.001.  NATURE OF DISTRICT.  The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Sec. 9040.002.  NATURE OF DISTRICT.  The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Sec. 9040.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 9040.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 9040.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 9040.005.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution.
Sec. 9040.006. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process
does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for
which the district is created or to pay the principal of and interest
on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9040.051. GOVERNING BODY; TERMS. (a) The district is
governed by a board of five elected directors.
(b) Except as provided by Section 9040.052, directors serve
staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff.

Sec. 9040.052. TEMPORARY DIRECTORS. (a) On or after the
effective date of the Act creating this chapter, the owner or owners
of a majority of the assessed value of the real property in the
district may submit a petition to the Texas Commission on
Environmental Quality requesting that the commission appoint as
temporary directors the five persons named in the petition. The
commission shall appoint as temporary directors the five persons
named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section
9040.003; or
(2) the fourth anniversary of the effective date of the Act
creating this chapter.
(c) If permanent directors have not been elected under Section 9040.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 9040.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9040.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff. June 19, 2009.

Sec. 9040.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

(b) The powers and duties authorized under Subsection (a) shall specifically include the powers authorized under Subchapter H, Chapter 51, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff. June 19, 2009.
Sec. 9040.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 42.042 or 42.0425, Local Government Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff. June 19, 2009.

Sec. 9040.104. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff. June 19, 2009.

Sec. 9040.105. POWERS AND DUTIES RELATED TO FILL PROJECTS. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 57, Water Code, applicable to levee improvement districts created under Section 59, Article XVI, Texas Constitution.

(b) The district may:

(1) reclaim land in the district; and

(2) construct works, facilities, and improvements necessary to accomplish that purpose.

(c) The district may finance and contract for the construction of a fill project or for the acquisition of land for a fill project in the district, including drainage and reclamation.

(d) For the district's exercise of a power of or performance of a duty of a levee improvement district as provided by Subsection (c), the Texas Commission on Environmental Quality shall consider the district to be a levee improvement district.

(e) For any fill or levee project located in the district and in the watershed of the San Jacinto River Basin, the district shall obtain approval for the plan from any state or federal agency with
jurisdiction to permit a project of the same type and from any municipality with a right to divert state water from a point located between the district and Lake Houston.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1157 (S.B. 320), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9040.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 9040.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff. June 19, 2009.

Sec. 9040.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 9040.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff. June 19, 2009.

Sec. 9040.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a
provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff. June 19, 2009.

**SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS**

Sec. 9040.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff. June 19, 2009.

Sec. 9040.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Chapter 51, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 863 (S.B. 2486), Sec. 1, eff. June 19, 2009.

Sec. 9040.203. BONDS FOR RECREATIONAL FACILITIES. (a) The district may develop recreational facilities and issue bonds for the facilities under Chapter 49, Water Code, notwithstanding any overlap of the district's territory with the territory of one or more political subdivisions authorized to develop recreational facilities and issue bonds under Chapter 49, Water Code.

(b) The authority of the district to develop recreational facilities and issue bonds under this section does not limit the authority of any other political subdivision whose territory the territory of the district may overlap, wholly or partly, to develop recreational facilities and issue bonds under Chapter 49, Water Code.
CHAPTER 9041. MONTGOMERY COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9041.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Montgomery County Water Control and Improvement District No. 2.

Sec. 9041.002. NATURE OF DISTRICT. The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Sec. 9041.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 9041.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 9041.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.
Sec. 9041.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) The district is created to accomplish the purposes of a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution.

Sec. 9041.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 9041.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 9041.052, directors serve staggered four-year terms.
Sec. 9041.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 9041.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 9041.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 9041.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 871 (S.B. 2509), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9041.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 871 (S.B. 2509), Sec. 1, eff. June 19, 2009.
Sec. 9041.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

(b) The powers and duties authorized under Subsection (a) shall specifically include the powers authorized under Subchapter H, Chapter 51, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 871 (S.B. 2509), Sec. 1, eff. June 19, 2009.

Sec. 9041.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 42.042 or 42.0425, Local Government Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 871 (S.B. 2509), Sec. 1, eff. June 19, 2009.

Sec. 9041.104. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 871 (S.B. 2509), Sec. 1, eff. June 19, 2009.

Sec. 9041.105. POWERS AND DUTIES RELATED TO FILL PROJECTS. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to levee improvement districts created under Section 59, Article XVI, Texas Constitution.

(b) The district may:
(1) reclaim land in the district; and
(2) construct works, facilities, and improvements necessary to accomplish that purpose.

(c) The district may finance and contract for the construction of a fill project or for the acquisition of land for a fill project in the district, including drainage and reclamation.

(d) For the district's exercise of a power of or performance of a duty of a levee improvement district as provided by Subsection (c), the Texas Commission on Environmental Quality shall consider the district to be a levee improvement district.

(e) For any fill or levee project located in the district and in the watershed of the San Jacinto River Basin, the district shall obtain approval for the plan from any state or federal agency with jurisdiction to permit a project of the same type and from any municipality with a right to divert state water from a point located between the district and Lake Houston.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1158 (S.B. 321), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9041.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 9041.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 871 (S.B. 2509), Sec. 1, eff. June 19, 2009.

Sec. 9041.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 9041.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not
 Sec. 9041.153.  CONTRACT TAXES.  (a)  In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b)  A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 871 (S.B. 2509), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E.  BONDS AND OTHER OBLIGATIONS

 Sec. 9041.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.  The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 871 (S.B. 2509), Sec. 1, eff. June 19, 2009.

 Sec. 9041.202.  TAXES FOR BONDS.  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Chapter 51, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 871 (S.B. 2509), Sec. 1, eff. June 19, 2009.
Sec. 9041.203. BONDS FOR RECREATIONAL FACILITIES. (a) The district may develop recreational facilities and issue bonds for the facilities under Chapter 49, Water Code, notwithstanding any overlap of the district's territory with the territory of one or more political subdivisions authorized to develop recreational facilities and issue bonds under Chapter 49, Water Code. 

(b) The authority of the district to develop recreational facilities and issue bonds under this section does not limit the authority of any other political subdivision whose territory the territory of the district may overlap, wholly or partly, to develop recreational facilities and issue bonds under Chapter 49, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 871 (S.B. 2509), Sec. 1, eff. June 19, 2009.

CHAPTER 9042. WILLIAMSON-TRAVIS COUNTIES WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1F

Sec. 9042.001. DEFINITION. In this chapter, "district" means the Williamson-Travis Counties Water Control and Improvement District No. 1F.

Added by Acts 2013, 83rd Leg., R.S., Ch. 798 (S.B. 1479), Sec. 1, eff. September 1, 2013.

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see S.B. 1083, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 9042.002. REMOVAL OF AREA FROM EMERGENCY SERVICES DISTRICT. (a) This section applies only to:

(1) a municipality with a population of less than 100,000; and

(2) an emergency services district operating under Chapter 775, Health and Safety Code, in which the district is wholly or partly located.

(b) If the district enters into a strategic partnership agreement with a municipality under Section 43.0751, Local Government Code, that includes the provision of fire-fighting services as defined by Section 49.351(k), Water Code, and the district has
completed all other procedures necessary for a limited-purpose annexation by that municipality, an emergency services district shall disannex the territory of the district to be served by the municipality under the agreement in accordance with Subsection (c).

(c) The territory remains part of the emergency services district until the secretary of the emergency services district board receives from the district notice that the requirements of Subsection (b) have been met. On receipt of the notice, the board shall immediately change its records to show that the district territory has been disannexed from the emergency services district and shall cease to provide further services to the residents of that territory.

(d) Sections 775.022(b), (c), (d), (e), and (f), Health and Safety Code, apply to a disannexation under this section, as if the disannexation occurred under the provisions of Section 775.022(a), Health and Safety Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 798 (S.B. 1479), Sec. 1, eff. September 1, 2013.

CHAPTER 9043. COLLIN COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9043.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "District" means the Collin County Water Control and Improvement District No. 3.

Added by Acts 2013, 83rd Leg., R.S., Ch. 823 (S.B. 1852), Sec. 1, eff. June 14, 2013.

Sec. 9043.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:
(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or
improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 823 (S.B. 1852), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9043.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 823 (S.B. 1852), Sec. 1, eff. June 14, 2013.

Sec. 9043.052. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 823 (S.B. 1852), Sec. 1, eff. June 14, 2013.

Sec. 9043.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 823 (S.B. 1852), Sec. 1, eff. June 14, 2013.

Sec. 9043.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 823 (S.B. 1852), Sec. 1, eff. June 14, 2013.

**SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS**

Sec. 9043.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 9043.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 823 (S.B. 1852), Sec. 1, eff. June 14, 2013.

Sec. 9043.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding.

Added by Acts 2013, 83rd Leg., R.S., Ch. 823 (S.B. 1852), Sec. 1, eff. June 14, 2013.
Sec. 9044.001. DEFINITION. In this chapter, "district" means the Hidalgo County Water Control and Improvement District No. 19. Added by Acts 2013, 83rd Leg., R.S., Ch. 284 (H.B. 995), Sec. 1, eff. June 14, 2013.

Sec. 9044.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:
(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads. Added by Acts 2013, 83rd Leg., R.S., Ch. 284 (H.B. 995), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9044.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created. Added by Acts 2013, 83rd Leg., R.S., Ch. 284 (H.B. 995), Sec. 1, eff. June 14, 2013.

Sec. 9044.052. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.
Sec. 9044.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 284 (H.B. 995), Sec. 1, eff. June 14, 2013.

Sec. 9044.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 284 (H.B. 995), Sec. 1, eff. June 14, 2013.

Sec. 9044.055. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district
may not, at the time the new district is created, contain any land
outside the district as of the effective date of the Act enacting
this chapter.

(d) The district's board of directors, on its own motion or on
receipt of a petition signed by the owner or owners of a majority of
the assessed value of the real property in the district, may adopt an
order dividing the district.

(e) An order dividing the district must:
   (1) name each new district;
   (2) include the metes and bounds description of the
territory of each new district;
   (3) appoint temporary directors serving staggered four-year
terms for each new district; and
   (4) provide for the division of assets and liabilities
between or among the new districts.

(f) On or before the 30th day after the date of adoption of an
order dividing the district, the district shall file the order with
the Texas Commission on Environmental Quality and record the order in
the real property records of each county in which the district is
located.

(g) A new district created by the division of the district is
not required to hold a confirmation election.

(h) The consent of a municipality or county is not required for
the creation of any new district under this section if the new
district's creation complies with Subsection (c).

(i) A new district created by the division of the district must
hold an election to obtain voter approval before the district may
impose a maintenance tax or issue bonds payable wholly or partly from
ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 284 (H.B. 995), Sec. 1, eff.
June 14, 2013.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 9044.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS
FOR ROAD PROJECTS. (a) The district may issue bonds or other
obligations payable wholly or partly from ad valorem taxes, impact
fees, revenue, contract payments, grants, or other district money, or
any combination of those sources, to pay for a road project
authorized by Section 9044.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 284 (H.B. 995), Sec. 1, eff. June 14, 2013.

Sec. 9044.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding.

Added by Acts 2013, 83rd Leg., R.S., Ch. 284 (H.B. 995), Sec. 1, eff. June 14, 2013.

CHAPTER 9045. FALLBROOK UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9045.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Fallbrook Utility District of Harris County, Texas.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
Sec. 9045.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter will benefit the people of this state and improve their property and industries.

(e) The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 633, Acts of the 61st Legislature, Regular Session, 1969, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9045.005 or its predecessor statute, former Section 9, Chapter 633, Acts of the 61st Legislature, Regular Session, 1969; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
in any other manner, the legality or operation of the district or the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.005. EXPANSION OF DISTRICT. (a) If land is annexed to the district under Section 49.301 or 51.714, Water Code, the board may require the petitioners to:

(1) assume the petitioners' pro rata share of the voted but unissued bonds of the district; and

(2) authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.

(b) If land is annexed to the district under Section 49.302, Water Code, the board may submit to the voters of the area to be annexed a proposition on the question of the assumption by the area to be annexed of its part of the voted but not yet issued or sold tax or tax-revenue bonds of the district and the imposition of an ad valorem tax on taxable property in the area to be annexed along with a tax in the rest of the district for the payment of the bonds.

(c) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued tax or tax-revenue bonds regardless of changes to district boundaries since the voting or authorization of those bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.006. HEARINGS FOR EXCLUSION OF LAND. (a) The board is not required to call or hold a hearing on the exclusion of land or other property from the district; provided, however, that the board shall hold a hearing if an owner of land or other property located in the district files a written petition for a hearing with the board secretary before the district's first bond election is called.

(b) The board may act on the petition in the same manner that it may act on a petition for the addition of land under Section 49.301 or 51.714, Water Code. A notice of hearing is not required.

(c) The board on its own motion may call and hold an exclusion hearing under general law.
Sec. 9045.007. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and duties are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the impact on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Sec. 9045.051. COMPOSITION OF BOARD. The board consists of five elected directors.

Sec. 9045.052. APPOINTMENT OF TREASURER. The board may appoint the treasurer.

Sec. 9045.053. DIRECTOR AND TREASURER BONDS. (a) Each director shall qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The directors' bonds shall be recorded in a record kept for that purpose in the district's office.

(c) The treasurer shall give bond in the amount required by the board. The treasurer's bond shall be conditioned on the treasurer's faithful accounting for all money that comes into the treasurer's
custody as treasurer of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.054. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The county judge of Harris County shall appoint directors to fill all of the vacancies on the board if the number of qualified directors is less than three.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.055. BOARD PRESIDENT'S POWER TO EXECUTE CONTRACTS. The board president may execute all contracts, including construction contracts, entered into by the board on behalf of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.056. ABSENCE OR INACTION OF BOARD PRESIDENT. (a) When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power that this chapter or general law gives the president.

(b) If the board president is absent from a board meeting, the board vice president may sign an order adopted or other action taken at the meeting, or the board may authorize the president to sign the order or other action.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.057. DISTRICT OFFICE. (a) The board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.
(b) The board may establish a second district office outside the district. If the board establishes a district office outside the district, the board shall give notice of the location of that office by:

(1) filing a copy of the board resolution that establishes the location of the office:

(A) with the Texas Commission on Environmental Quality; and

(B) in the water control and improvement district records of Harris County; and

(2) publishing the location of the office in a newspaper of general circulation in Harris County.

(c) A district office may be a private residence, office, or dwelling. A district office that is a private residence, office, or dwelling is a public place for matters relating to the district's business.

(d) The board shall give notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

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**SUBCHAPTER C. POWERS AND DUTIES**

Sec. 9045.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has all of the rights, powers, privileges, and functions provided by general law applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.102. ADDITIONAL POWERS. (a) The district may:

(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, or improvements, existing or to be made, constructed, or acquired, inside or outside the district's boundaries and necessary to carry out the powers granted by this chapter or general law; or
(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:

(A) the purchase or sale of water;

(B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;

(C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and

(D) the performance of any of the rights or powers granted by this chapter or general law relating to water control and improvement districts.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.103. LIMIT ON EMINENT DOMAIN. The district may exercise the power of eminent domain only:

(1) in Harris County; and

(2) when necessary to carry out the purposes for which the district was created.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.

(b) If the district's exercise of the power of eminent domain makes necessary relocating, raising, lowering, rerouting, changing
the grade of, or altering the construction of a highway, railroad, electric transmission line, telegraph or telephone property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.105. NOTICE OF ELECTION. Notice of an election may be given under the hand of the board president or secretary.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9045.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.  
(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.153. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered:  
(1) to each director; and  
(2) to a holder of at least 25 percent of the outstanding bonds of the district, on request.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
Sec. 9045.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The
district is not required to pay a tax or assessment on:
(1) district property; or
(2) a purchase made by the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
eff. April 1, 2017.

Sec. 9045.155. DEPOSITORY. (a) The board shall select one or
more banks in this state to act as depository for the district's
money.
(b) To the extent that money in the depository bank is not
insured by the Federal Deposit Insurance Corporation, the money must
be secured in the manner provided by law for the security of county
funds.
(c) A director may be a shareholder in a bank that is a
depository of district money.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
eff. April 1, 2017.

**SUBCHAPTER E. BONDS**

Sec. 9045.201. ISSUANCE OF BONDS. (a) The district may issue
tax bonds, revenue bonds, or tax and revenue bonds to provide money
for any purpose of this chapter, including the acquisition of land.
(b) The district must issue bonds in the manner provided by
Chapters 49 and 51, Water Code, except that the district may issue
bonds payable solely from net revenue by resolution or order of the
board without an election.
(c) Bonds issued under this subchapter may be payable from all
or any designated part of the revenue of district property and
facilities or under a specific contract, as provided in the order or
resolution authorizing the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
eff. April 1, 2017.
Sec. 9045.202. ADDITIONAL SECURITY. (a) Within the discretion of the board, bonds issued under this subchapter may be additionally secured by a deed of trust or mortgage lien on physical property of the district and franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to that property, vesting in the trustee:

(1) the power to sell the property for payment of the debt;
(2) the power to operate the property; and
(3) all other powers to further secure the bonds.

(b) A purchaser under a sale under the deed of trust or mortgage lien, if one is given:

(1) is the absolute owner of the property, facilities, and rights purchased; and
(2) may maintain and operate the property and facilities.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.203. TRUST INDENTURE. A trust indenture created under Section 9045.202, regardless of the existence of a deed of trust or mortgage lien on the property, may:

(1) contain provisions prescribed by the board for the security of the bonds and the preservation of the trust estate;
(2) provide for amendment or modification of the trust indenture;
(3) provide for the issuance of bonds to replace lost or mutilated bonds;
(4) condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and
(5) provide for the investment of district money.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.204. ORDER OR RESOLUTION AUTHORIZING ISSUANCE OF CERTAIN BONDS. (a) In an order or resolution authorizing the
issuance of revenue, tax-revenue, revenue refunding, or tax-revenue refunding bonds, the board may:

(1) provide for:
   (A) the flow of money; and
   (B) the establishment and maintenance of the interest and sinking fund, reserve fund, or other fund;

(2) make additional covenants with respect to the bonds and the pledged revenue and the operation and maintenance of the improvements and facilities the revenue of which is pledged, including provisions for the operation or leasing of all or part of the improvements and facilities and the use or pledge of money received from the operation contract or lease as the board considers appropriate;

(3) prohibit the further issuance of bonds or other obligations payable from the pledged revenue or reserve the right to issue additional bonds to be secured by a pledge of and payable from the revenue on a parity with, or subordinate to, the lien and pledge in support of the bonds being issued, subject to any conditions set forth in the order or resolution; and

(4) include any other provision or covenant, as the board determines, that is not prohibited by the Texas Constitution or this chapter.

(b) The board may adopt and cause to be executed any other proceeding or instrument necessary or convenient in the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9045.205. USE OF BOND PROCEEDS. (a) The district may appropriate or set aside out of proceeds from the sale of district bonds an amount for:

(1) the payment of interest, administrative, and operating expenses expected to accrue during the period of construction, as may be provided in the bond orders or resolutions; and

(2) the payment of all expenses incurred and to be incurred in the issuance, sale, and delivery of the bonds.

(b) For purposes of this section, the period of construction may not exceed three years.
Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9046. CANYON FALLS WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 OF DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9046.001. DEFINITION. In this chapter, "district" means the Canyon Falls Water Control and Improvement District No. 2 of Denton County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1121 (H.B. 3913), Sec. 1, eff. June 14, 2013.

Sec. 9046.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1121 (H.B. 3913), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9046.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1121 (H.B. 3913), Sec. 1, eff. June 14, 2013.

Sec. 9046.052. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the
general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1121 (H.B. 3913), Sec. 1, eff. June 14, 2013.

Sec. 9046.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1121 (H.B. 3913), Sec. 1, eff. June 14, 2013.

Sec. 9046.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1121 (H.B. 3913), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 9046.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact
fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 9046.053.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1121 (H.B. 3913), Sec. 1, eff. June 14, 2013.

Sec. 9046.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1121 (H.B. 3913), Sec. 1, eff. June 14, 2013.

CHAPTER 9047. HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 161

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9047.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Harris County Water Control and Improvement District No. 161.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.
Sec. 9047.002. NATURE OF DISTRICT. The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

Sec. 9047.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

Sec. 9047.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 9047.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

Sec. 9047.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.
Sec. 9047.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

Sec. 9047.007. APPLICABILITY OF LAW GOVERNING METROPOLITAN WATER CONTROL AND IMPROVEMENT DISTRICTS. (a) Except as otherwise provided by this chapter, Chapter 702 (S.B. 1358), Acts of the 68th Legislature, Regular Session, 1983 (Article 717r, Vernon's Texas Civil Statutes), applies to the district.

(b) Section 3, Chapter 702 (S.B. 1358), Acts of the 68th Legislature, Regular Session, 1983 (Article 717r, Vernon's Texas Civil Statutes), does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9047.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 9047.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.
Sec. 9047.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Jeff Safe;
(2) Katy Walston;
(3) Brandon Buell;
(4) Bob Mueller; and
(5) Chad Meacham.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 9047.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 9047.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 9047.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9047.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.
Sec. 9047.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

Sec. 9047.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

Sec. 9047.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

Sec. 9047.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable
requirements of any ordinance or resolution that is adopted by the City of Houston, Texas, that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

Sec. 9047.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district boundaries to acquire:

1. a site for a water treatment plant, water storage facility, wastewater treatment plant, or wastewater disposal plant;
2. a site for a park, swimming pool, or other recreational facility, as defined by Section 49.462, Water Code;
3. an exclusive easement through a county regional park;
4. a site or easement for a road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9047.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

1. revenue other than ad valorem taxes; or
2. contract payments described by Section 9047.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.
Sec. 9047.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 9047.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

Sec. 9047.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 9047.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

Sec. 9047.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided
by Section 51.433, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

Sec. 9047.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 624 (S.B. 1841), Sec. 1, eff. June 14, 2013.

CHAPTER 9048. EL PASO COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9048.001. DEFINITION. In this chapter, "district" means the El Paso County Water Control and Improvement District No. 4.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.05, eff. April 1, 2019.

Sec. 9048.002. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) Except for property owned by a railroad or public utility that does not use the facilities of the district, all land included in the boundaries of the district will be benefited.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.05, eff. April 1, 2019.

Sec. 9048.003. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 268, Acts of the 82nd Legislature, Regular Session, 2011, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.05, eff. April 1, 2019.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9048.051. GENERAL POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has all the rights, powers, privileges, and duties, including the control of storm and flood waters, provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.05, eff. April 1, 2019.

Sec. 9048.052. POWERS RELATING TO SANITARY SEWER SYSTEM. The district may construct, maintain, and operate a sanitary sewer system.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.05, eff. April 1, 2019.

SUBCHAPTER C. BONDS

Sec. 9048.101. BOND ELECTION REQUIRED. The district may not issue bonds unless the bonds are authorized by a majority of the voters of the district voting at an election held for that purpose.
CHAPTER 9049.  HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT-
FONDREN ROAD

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 9049.001.  DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Harris County Water Control and Improvement District-Fondren Road.

Sec. 9049.002.  NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Sec. 9049.003.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
   (b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.
   (c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 9049.004.  DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 246, Acts of the 58th Legislature, Regular Session, 1963, as amended by
Sections 1 and 3, Chapter 611, Acts of the 60th Legislature, Regular Session, 1967, as that territory may have been modified under:
(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:
(1) the district's organization, existence, or validity;
(2) the district's right to issue bonds or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9049.051. BOARD OF DIRECTORS. (a) The board consists of five elected directors.
(b) To be appointed as a director a person must reside in this state, but such director is not required to reside in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9049.052. APPOINTMENT OF SECRETARY AND TREASURER. The board shall appoint a secretary and a treasurer, who are not required to be directors. The board may combine the offices of secretary and treasurer.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9049.053. DIRECTOR'S AND TREASURER'S BONDS. (a) Each director shall give bond in the amount of $5,000 conditioned on the faithful performance of the director's duties.
(b) The treasurer shall give bond in the amount required by the
board. The treasurer's bond shall be conditioned on the treasurer's faithful accounting for all money that comes into the treasurer's custody as treasurer of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9049.054. VOTE BY BOARD PRESIDENT. The board president has the same right to vote as any other director.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9049.055. ABSENCE OR INACTION OF BOARD PRESIDENT. When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter gives the president.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9049.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9049.102. LIMIT ON EMINENT DOMAIN POWER. The district may exercise the power of eminent domain only in Harris County.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9049.103. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9049.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.
(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9050. INVERNESS FOREST IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9050.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Inverness Forest Improvement District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9050.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter will benefit the people of this state and improve their property and industries.

(e) The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 605, Acts of the 59th Legislature, Regular Session, 1965, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9050.005 of this chapter or its predecessor statute, former Section 16, Chapter 605, Acts of the 59th Legislature, Regular Session, 1965; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type or kind of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.
Sec. 9050.005. EXPANSION OF DISTRICT. (a) Except as otherwise provided by this section, the district may annex territory as provided by Section 49.302, Water Code.

(b) Territory may not be annexed to the district without the written consent of at least a three-fourths majority of all landowners in the territory to be annexed whose land must also constitute at least three-fourths of the value of all land in the territory to be annexed, as shown by the tax rolls of the county in which the territory to be annexed is located.

(c) A person who owns land or an interest in land affected by the annexation may, on or before the 30th day after the date of the canvassing order of the election for the annexation, file in the district court in the county in which the district is located a petition to review, set aside, modify, or suspend the annexation. After the period for filing the suit has expired, the annexation is:

(1) conclusive for all purposes; and

(2) not subject to judicial review.

Sec. 9050.006. HEARINGS FOR EXCLUSION OF LAND. (a) The board is not required to call or hold a hearing on the exclusion of land or other property from the district; provided, however, that the board shall hold a hearing if an owner of land or other property located in the district files a written request for a hearing with the board secretary before the district's first bond election is called.

(b) This section may not be construed to prevent the board on its own motion from calling and holding an exclusion hearing under general law.

SUBCHAPTER B. DISTRICT ADMINISTRATION
Sec. 9050.051. BOARD OF DIRECTORS. (a) The board consists of five elected directors.

(b) To be appointed as a director, a person must:
   (1) be at least 18 years of age; and
   (2) reside in this state.

(c) Such director is not required to reside in the district.

(d) Such director is not required to own land in the district, but before the district awards any construction contracts, each director must own land in the district subject to district taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.052. DIRECTOR'S BOND. Each director shall give a bond in the amount of $5,000 for the faithful performance of the director's duties.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.053. DUTY OF SECRETARY; ABSENCE OF SECRETARY FROM BOARD MEETING. (a) The board secretary shall sign the minutes of each board meeting.

(b) If the board secretary is absent from a board meeting, the board shall name a secretary pro tem for the meeting who may:
   (1) exercise all powers and duties of the secretary for the meeting;
   (2) sign the minutes of the meeting; and
   (3) attest all orders passed or other action taken at the meeting.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.054. VOTE BY BOARD PRESIDENT. The board president has the same right to vote as any other director.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
Sec. 9050.055. ABSENCE OR INACTION OF BOARD PRESIDENT. When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter or general law gives the president.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9050.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.102. ADDITIONAL POWERS. (a) The district may:

(1) purchase, construct, or otherwise acquire a waterworks system, sanitary sewer system, storm sewer system, or drainage facility or any part of those systems or facilities;

(2) make any purchase, construction, improvement, extension, addition, or repair necessary to a system or facility described by Subdivision (1);

(3) purchase or otherwise acquire, operate, and maintain any land, right-of-way, easement, site, equipment, building, plant, structure, or facility necessary for a system or facility described by Subdivision (1); and

(4) sell water and other services.

(b) The district may exercise any of the rights or powers granted by this chapter inside or outside the district's boundaries, but only in Harris County.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9050.103. LIMIT ON EMINENT DOMAIN POWER. The district may exercise the power of eminent domain only in Harris County.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telegraph or telephone property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.105. NOTICE OF ELECTION. Notice of an election may be given under the hand of the board president or secretary.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.106. EFFECT OF ANNEXATION BY MUNICIPALITY. (a) Notwithstanding Section 43.075(d)(3), Local Government Code, if a municipality annexes all of the territory in the district, the municipality is not required to assume the duties of the district to provide flood control services or to operate or maintain the levees, retainage ponds, pumps, mitigation channel, or other flood control
facilities, improvements, or properties that the district operates and maintains or is required to operate and maintain.

(b) The municipality may elect to assume none, part, or all of the duties described by Subsection (a). The municipality shall state in the ordinance annexing the territory which duties, if any, the municipality elects to assume.

(c) If the municipality elects to assume none or part of the duties described by Subsection (a), the district is not abolished and continues to exist for the exclusive purpose of performing the duties the municipality does not assume. The district is not required to transfer to the municipality money received from maintenance taxes before the date of annexation and may continue to impose a maintenance tax as necessary to perform the duties the municipality does not assume. The district may retain other property and assets, including money from the district's operation and maintenance account, as the district considers necessary to perform those duties.

(d) At any time after annexation the municipality by ordinance may assume the remaining duties and assets retained by the district and the district's debts, liabilities, and obligations. The municipality shall provide the board written notice of the assumption at least 120 days before the date the assumption takes effect. The district is abolished on the date the assumption takes effect.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9050.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.152. DEPOSITORY. (a) The board shall select one or more banks or trust companies in this state to act as a depository of bond proceeds or of revenue derived from the operation of district facilities.
(b) The depository shall, as determined by the board:
   (1) furnish indemnity bonds;
   (2) pledge securities; or
   (3) meet any other requirements.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.153. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:
   (1) a district project or any part of the project; or
   (2) a district purchase.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER E. BONDS

Sec. 9050.201. AUTHORITY TO ISSUE BONDS. The district may:
   (1) issue bonds of any kind to carry out any purpose authorized by this chapter; and
   (2) provide for and make payment for the bonds and for any expense necessarily incurred in connection with the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9050.202. FAILED BOND ELECTION. (a) A general law, including Sections 51.781-51.791, Water Code, that provides for calling a hearing on the dissolution of a district after a failed district bond election does not apply to the district.
   (b) After the expiration of six months from the date of a failed bond election, the board may call a subsequent bond election.
   (c) The district continues to exist and retain its full power to function and operate regardless of the outcome of a bond election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9050.203. BONDS EXEMPT FROM TAXATION. A bond issued under this chapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9051. JEFFERSON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 10

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9051.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Jefferson County Water Control and Improvement District No. 10.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Jefferson County created under Section 59, Article XVI, Texas Constitution, for the purposes of:

(1) controlling, conserving, protecting, preserving, distributing, and using surface water;
(2) producing, distributing, and using groundwater; and
(3) regulating, controlling, and disposing of sewerage, waste, and other refuse to prevent the contamination of the public waters.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.003. LEGISLATIVE FINDING. The legislature finds that the district is essential to the accomplishment of the purposes of
Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATION

Sec. 9051.051. DISTRICT TERRITORY. The district is composed of the territory described by Section 3, Chapter 245, Acts of the 54th Legislature, Regular Session, 1955, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.052. ANNEXATION OF DISTRICT TERRITORY BY MUNICIPALITY. Territory contained in the district may not be annexed, either wholly or partly, by a municipality unless the annexation is approved by a majority of the voters voting in a single election held jointly in the municipality and the district for that purpose.
SUBCHAPTER C. DISTRICT ADMINISTRATION

Sec. 9051.101. COMPOSITION OF BOARD; TERMS. The board consists of five elected directors who serve staggered four-year terms that begin on May 16 following their election.

Sec. 9051.102. QUALIFICATIONS FOR OFFICE. A director must:
(1) be a resident, qualified voter; and
(2) own taxable property in the district.

Sec. 9051.103. DIRECTOR'S BOND. (a) Each director must qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.
(b) The bond must be recorded in the official bond records of the county.

Sec. 9051.104. QUORUM. Any three members of the board constitute a quorum.

Sec. 9051.105. OFFICERS. The board shall elect from among its members a president, a vice president, and a secretary-treasurer.
Sec. 9051.106. EMPLOYEES. The board may employ engineers, attorneys, and other technical or nontechnical employees or assistants and set and provide the amount and manner of their compensation.

Sec. 9051.107. EXPENDITURES. The board may provide for the payment of expenditures considered essential to the proper maintenance and administration of the district.

Sec. 9051.108. COMPENSATION OF DIRECTORS. (a) A director shall receive a fee of $3 per day for attending each board meeting, except that not more than $6 per day may be paid to a director for meetings held in any one calendar month.

(b) In all areas of conflict with Subsection (a) of this section, Section 49.060, Water Code, takes precedence.

(c) A director's compensation may be increased as authorized by Section 49.060, Water Code, by resolution adopted by the board in accordance with Subsection (e) of that section on or after September 1, 1995.

Sec. 9051.109. BUDGET. (a) Before the adoption of the district's annual tax rate, the president of the board must prepare, or have prepared, and the board must approve a budget to cover all proposed expenditures of the district for the succeeding tax year.

(b) The budget must:
(1) be itemized to make as clear as practicable a comparison between the expenditures included in the proposed budget and the actual expenditures for the same or similar purposes for the preceding tax year;

(2) show as definitely as possible each project for which appropriations are included in the budget and the estimated amount of money included in the budget for each project; and

(3) contain a complete financial statement of the district showing:

   (A) all outstanding obligations;
   (B) the cash on hand to the credit of each fund;
   (C) the money received from all sources during the preceding year;
   (D) the money available from all sources during the succeeding year;
   (E) the estimated revenue available to cover the proposed budget; and
   (F) the estimated tax rate required for the succeeding tax year.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

**SUBCHAPTER D. POWERS AND DUTIES**

Sec. 9051.151. GENERAL POWERS. (a) Except as otherwise provided by this chapter, the district has all the powers and duties granted to water control and improvement districts by Chapters 49 and 51, Water Code, and all other laws applicable to water control and improvement districts.

(b) The district may formulate and execute any plan considered essential to the accomplishment of the purposes for which it is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.152. DISTRICT PROPERTY. (a) The district may acquire, maintain, use, and operate property of any kind or any interest in property necessary to the exercise of the powers, rights,
privileges, and functions of the district under this chapter.

(b) The district may acquire property or an interest in property as provided by Subsection (a) by purchase, construction, lease, gift, or any other manner.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.153. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telegraph or telephone property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.154. POWERS RELATING TO WATERWORKS OR SANITARY SEWER SYSTEM. The district may purchase, construct, or otherwise acquire a waterworks or sanitary sewer system and may:

(1) own and operate the system; and

(2) construct an addition, extension, or improvement to the system.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.155. CHARGES, FEES, AND TOLLS; PENALTY FOR FAILURE TO PAY. The district may set and collect charges, fees, or tolls for the services of its water and sanitary systems and facilities and impose penalties for the failure to pay when due those charges, fees, or tolls.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9051.156. SURVEYS AND INVESTIGATIONS. The board may conduct or arrange for a survey or an engineering investigation to provide information for the district to facilitate the accomplishment of a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.157. LIMITATION ON DISTRICT POWERS RELATING TO GROUNDWATER. The district may not adopt or enforce a rule relating to or require a permit for the production or use of groundwater by others.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 9051.201. TAX METHOD. The district shall use the ad valorem plan of taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.202. AUTHORITY TO IMPOSE TAX; TAX ELECTION. (a) If a tax is authorized at an election under Section 49.107, Water Code, the district may impose a tax to provide money:

(1) necessary to construct or acquire, maintain, and operate improvements, works, plants, and facilities considered essential or beneficial to the district; or

(2) adequate to defray the cost of the maintenance, operation, and administration of the district.

(b) An election for the imposition of taxes authorized by this section must be ordered by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9051.203. TAX ASSESSOR AND COLLECTOR. The board shall appoint a tax assessor and collector.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.204. TAX RATE. The board shall set the tax rate of the district annually and certify the rate to the tax assessor and collector.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER F. BONDS

Sec. 9051.251. DEFINITION. In this subchapter, "net revenue" means the gross revenue of the district minus the amount necessary to pay the cost of maintaining and operating the district and its property.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.252. ISSUANCE OF BONDS. (a) To accomplish district purposes, the board may borrow money, issue bonds, and prescribe the method of payment of the bonds by the use of net revenue, taxes, or both net revenue and taxes.

(b) Bonds must be authorized by a board resolution.

(c) In the resolution authorizing the bonds, the district may set aside an amount from the bond proceeds for:

(1) the payment of interest expected to accrue during construction; and

(2) a reserve interest and sinking fund.

(d) Bond proceeds may be used to pay all expenses necessarily incurred in accomplishing district purposes, including the expenses of issuing and selling the bonds.

(e) Pending the use of bond proceeds for the purpose for which
the bonds were issued, the board may invest the proceeds in obligations of the United States.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.253. FORM OF BONDS. District bonds must be:
(1) signed by the president; and
(2) attested by the secretary.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a majority of the district voters voting at an election.

(b) The board may order an election under this section without a petition. The order must specify:
(1) the time and places at which the election will be held;
(2) the purpose for which the bonds will be issued;
(3) the maximum amount of the bonds;
(4) the maximum maturity of the bonds;
(5) the maximum interest rate;
(6) the form of the ballot; and
(7) the presiding judge for each voting place.

(c) Notice of the election must be given by publishing a substantial copy of the order in a newspaper of general circulation in the district. The notice must be published once each week for two consecutive weeks. The first publication must be at least 14 days before the date of the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.255. BONDS PAYABLE FROM AD VALOREM TAXES; TAX RATE. (a) If bonds are issued payable wholly or partly from ad valorem taxes, the board shall impose a tax sufficient to pay the bonds and
the interest on the bonds as the bonds and interest become due.

(b) The board may adopt the rate of a tax imposed under Subsection (a) for any year after giving consideration to the money received from the pledged revenue that may be available for payment of principal and interest to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.256. ELECTION NOT REQUIRED FOR CERTAIN BONDS. Bonds payable solely from the district's net revenue, from the proceeds of any water contract, or from any source other than ad valorem taxes may be issued pursuant to a board resolution without a hearing or election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.257. BONDS SECURED BY REVENUE; ADDITIONAL BONDS. District bonds may be secured by a pledge of all or part of the net revenue of the district, or by the net revenue of one or more contracts made before or after the issuance of the bonds, or other revenue in the manner specified by board resolution. The pledge may reserve the right, under conditions specified by the pledge, to issue additional bonds that will be on a parity with or subordinate to the bonds then being issued.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.258. CHARGES FOR DISTRICT SERVICES. If district bonds payable wholly or partly from revenue are issued, the board shall set by contract with the persons who contract with it for a water supply or water or sewer facilities the rates of compensation for water sold and water or sewer services provided by the district. The rates must be sufficient to pay:

(1) the expense of operating and maintaining the district
and its facilities; and

(2) all obligations incurred by the district as they mature, including the reserve fund and other funds as may be provided for the bonds or other contracts under the terms of the bonds or other contracts and as may be provided in the board resolution pertaining to the bonds or other contracts.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.259. REFUNDING BONDS. (a) The board may issue refunding bonds without an election to refund outstanding bonds issued under this subchapter and interest on those bonds.

(b) Refunding bonds may be issued to refund bonds of more than one series.

(c) In the case of bonds secured wholly or partly by net revenue, the district may:

(1) combine the pledges for the outstanding bonds for the security of the refunding bonds; or

(2) secure the refunding bonds by a pledge of other or additional revenue.

(d) The provisions of this subchapter regarding the issuance of other bonds and the rights and remedies of the holders apply to refunding bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9051.260. BONDS EXEMPT FROM TAXATION. A bond issued under this chapter, the transfer of the bond, and the income from the bond, including profits on the sale of the bond, are exempt from taxation by this state or by any political subdivision of this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9052. FLAMINGO ISLES MUNICIPAL UTILITY DISTRICT OF GALVESTON COUNTY, TEXAS
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9052.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "District" means the Flamingo Isles Municipal Utility District of Galveston County, Texas.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9052.002. NATURE OF DISTRICT. The district is:
(1) a conservation and reclamation district in Galveston County under Section 59, Article XVI, Texas Constitution;
(2) a water control and improvement district; and
(3) a municipal corporation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9052.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.
(b) All land and other property in the district will benefit from the creation of the district and the improvements the district will purchase, construct, or otherwise acquire.
(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9052.004. DISSOLUTION OF DISTRICT. The district may be dissolved by the board in accordance with Sections 51.781-51.791, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER B. DISTRICT TERRITORY
Sec. 9052.051. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 613, Acts of the 59th Legislature, Regular Session, 1965, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9052.052 or its predecessor statute, former Section 5, Chapter 613, Acts of the 59th Legislature, Regular Session, 1965; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue bonds or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9052.052. ADDITION OF LAND TO DISTRICT. The district may not add land to the district unless:

(1) an owner of land adjacent or contiguous to the district requests in writing that the district add land;
(2) the owner of the land to be added consents to the addition; and
(3) the land is adjacent or contiguous to the district when added.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

**SUBCHAPTER C. BOARD OF DIRECTORS**

Sec. 9052.101. COMPOSITION OF BOARD. The board is composed of five elected directors.
SUBCHAPTER D. POWERS AND DUTIES

Sec. 9052.151. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Sec. 9052.152. RECLAMATION AND DRAINAGE. The district may provide for the reclamation and drainage of overflowed land and other land needing drainage in the district.

Sec. 9052.153. ACQUISITION OF IMPROVEMENTS. The district may make, construct, or otherwise acquire existing improvements or improvements to be made, constructed, or acquired, inside or outside the district, that are necessary to carry out a power granted to the district under this chapter or a general law described by Section 9052.151.

Sec. 9052.154. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.
(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9052.155. LIMIT ON EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain outside the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9052.156. DURATION OF CONTRACT FOR WATER PURCHASE OR SALE. A district contract for the purchase or sale of water may not exceed 40 years.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 9052.201. TAX METHOD. (a) The district shall use the ad valorem basis or plan of taxation.

(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9052.202. DEPOSITORY. (a) The board by resolution shall designate one or more banks inside or outside the district to serve as the district's depository. A designated bank serves for two years and until a successor is designated.
(b) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9053. LAZY RIVER IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9053.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Lazy River Improvement District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Montgomery County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter will benefit the people of this state and improve their property and industries.

(e) The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.
Sec. 9053.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 584, Acts of the 59th Legislature, Regular Session, 1965, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9053.005 of this chapter or its predecessor statute, former Section 16, Chapter 584, Acts of the 59th Legislature, Regular Session, 1965; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type or kind of bond or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

Sec. 9053.005. EXPANSION OF DISTRICT. (a) Except as otherwise provided by this section, the district may annex territory as provided by Section 49.302, Water Code.

(b) Territory may not be annexed to the district without the written consent of at least a three-fourths majority of all landowners in the territory to be annexed whose land must also constitute at least three-fourths of the value of all land in the territory to be annexed, as shown by the tax rolls of the county in which the territory to be annexed is located.

(c) A finding by the district that the requirements of Subsection (b) have been met is:

(1) conclusive for all purposes; and
(2) not subject to judicial review.
Sec. 9053.006. HEARINGS FOR EXCLUSION OF LAND. (a) The board is not required to call or hold a hearing on the exclusion of land or other property from the district; provided, however, that the board shall hold a hearing if an owner of land or other property located in the district files a written request for a hearing with the board secretary before the district's first bond election is called.

(b) This section may not be construed to prevent the board on its own motion from calling and holding an exclusion hearing under general law.

Sec. 9053.007. CERTAIN STATUTES NOT APPLICABLE TO DISTRICT. (a) The district is created notwithstanding the provisions of Chapter 160, Acts of the 58th Legislature, Regular Session, 1963 (former Article 970a, Vernon's Texas Civil Statutes), as those provisions existed on June 17, 1965, and those provisions do not apply to the district.

(b) Any conflict between this section and subsequent amendments to provisions described by Subsection (a) or the subsequent codification of provisions described by Subsection (a) in the Local Government Code is governed by the rules of statutory construction, including Sections 311.025(a) and 311.026, Government Code (Code Construction Act).

Sec. 9053.051. BOARD OF DIRECTORS. (a) The board consists of five elected directors.

(b) To be appointed as a director, a person must:
(1) be at least 18 years of age; and
(2) reside in this state.
(c) Such director is not required to reside in the district.
(d) Such director is not required to own land in the district, but before the district awards any construction contracts, each director must own land in the district subject to district taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.052. DIRECTOR'S BOND. Each director shall give a bond in the amount of $5,000 for the faithful performance of the director's duties.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.053. DUTY OF SECRETARY; ABSENCE OF SECRETARY FROM BOARD MEETING. (a) The board secretary shall sign the minutes of each board meeting.
(b) If the board secretary is absent from a board meeting, the board shall name a secretary pro tem for the meeting who may:
   (1) exercise all powers and duties of the secretary for the meeting;
   (2) sign the minutes of the meeting; and
   (3) attest all orders passed or other action taken at the meeting.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.054. VOTE BY BOARD PRESIDENT. The board president has the same right to vote as any other director.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.055. ABSENCE OR INACTION OF BOARD PRESIDENT. When the board president is absent or fails or declines to act, the board
vice president shall perform all duties and exercise all power this chapter or general law gives the president.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9053.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.102. ADDITIONAL POWERS. (a) The district may:
(1) purchase, construct, or otherwise acquire a waterworks system, sanitary sewer system, storm sewer system, or drainage facility or any part of those systems or facilities;
(2) make any purchase, construction, improvement, extension, addition, or repair necessary to a system or facility described by Subdivision (1);
(3) purchase or otherwise acquire, operate, and maintain any land, right-of-way, easement, site, equipment, building, plant, structure, or facility necessary for a system or facility described by Subdivision (1); and
(4) sell water and other services.

(b) The district may exercise any of the rights or powers granted by this chapter inside or outside the district's boundaries, but only in Montgomery County.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.103. LIMIT ON EMINENT DOMAIN POWER. The district may exercise the power of eminent domain only in Montgomery County.
Sec. 9053.104. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telegraph or telephone property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Sec. 9053.105. NOTICE OF ELECTION. Notice of an election may be given under the hand of the board president or secretary.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 9053.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.
(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.

Sec. 9053.152. DEPOSITORY. (a) The board shall select one or more banks or trust companies in this state to act as a depository of bond proceeds or of revenue derived from the operation of district facilities.
(b) The depository shall, as determined by the board:
(1) furnish indemnity bonds;
(2) pledge securities; or
(3) meet any other requirements.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.153. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:

(1) a district project or any part of the project; or
(2) a district purchase.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER E. BONDS

Sec. 9053.201. AUTHORITY TO ISSUE BONDS. The district may:

(1) issue bonds of any kind to carry out any purpose authorized by this chapter; and
(2) provide for and make payment for the bonds and for any expense necessarily incurred in connection with the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.202. EXCHANGING BONDS FOR PROPERTY OR WORK. The district may exchange bonds, including refunding bonds:

(1) for property acquired by purchase; or
(2) in payment of the contract price of work performed or materials or services provided for the use and benefit of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.203. FAILED BOND ELECTION. (a) A general law, including Sections 51.781-51.791, Water Code, that provides for calling a hearing on the dissolution of a district after a failed
district bond election does not apply to the district.

(b) After the expiration of 30 days from the date of a failed bond election, the board may call a subsequent bond election.

(c) The district continues to exist and retain its full power to function and operate regardless of the outcome of a bond election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9053.204. BONDS EXEMPT FROM TAXATION. A bond issued under this chapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9055. WISE COUNTY WATER SUPPLY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9055.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.

(3) "District" means the Wise County Water Supply District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.002. NATURE OF DISTRICT. The district is created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land in the district will benefit from the improvements to be acquired and constructed by the district.

(b) The accomplishment of the purposes stated in this chapter
will benefit the people of this state and improve their property and industries.

(c) The district, in carrying out the purposes of this chapter, will be performing an essential public function under the Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT TERRITORY

Sec. 9055.051. DISTRICT TERRITORY. The district is composed of the territory described by Section 2, Chapter 268, Acts of the 53rd Legislature, Regular Session, 1953, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code;
(2) this subchapter or its predecessor statute, former Section 5, Chapter 268, Acts of the 53rd Legislature, Regular Session, 1953; or
(3) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.052. AUTHORITY TO ANNEX TERRITORY. Territory inside Wise County, whether contiguous to the district or not, may be annexed to the district in the manner provided by this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.053. PETITION FOR ANNEXATION; BOARD FINDINGS AND RESOLUTION; HEARING. (a) The board may annex territory under this subchapter if a petition requesting annexation is signed by 50 registered voters of the territory to be annexed who own taxable property in that territory, or by a majority of the registered voters of that territory who own taxable property in that territory, and is filed with the board. The petition must describe the territory to be
annexed by metes and bounds.

(b) If the board determines that the petition complies with Subsection (a), that the annexation would be in the interest of the district, and that the district will be able to supply water to the territory, the board shall:

(1) adopt a resolution declaring its intention to call an election in the territory to submit the proposition of whether the territory is to be annexed to the district; and

(2) set a time and place to hold a board hearing on the question of whether the territory to be annexed will benefit from the improvements, works, and facilities then owned or operated or contemplated to be owned or operated by the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.054. ANNEXATION HEARING. (a) At least 10 days before the date of the annexation hearing, notice of the adoption of the resolution stating the time and place of the hearing and addressed to the citizens and owners of property in the territory to be annexed shall be published one time in a newspaper of general circulation in the territory to be annexed. The notice must describe the territory in the same manner in which Section 9055.053(a) requires the petition to describe the territory.

(b) If a newspaper of general circulation is not published in the territory to be annexed, the notice shall be posted in three public places in the territory.

(c) Any interested person may appear at the hearing and offer evidence for or against the annexation.

(d) The hearing may proceed in the order and under the rules prescribed by the board and may be recessed from time to time.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.055. BOARD FINDINGS AND RESOLUTION; ELECTION. If, at the conclusion of the annexation hearing, the board finds that all land in the territory to be annexed will benefit from the present or contemplated improvements, works, or facilities of the district, the
board shall adopt a resolution that:

1. calls an election in the territory to be annexed; and
2. states the date of the election and the place or places of holding the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.056. NOTICE OF ANNEXATION ELECTION. At least 10 days before the date set for the election, notice of the election must be published one time in a newspaper of general circulation in the district. In addition to the requirements of Section 4.004, Election Code, notice of the annexation election must:

1. state the conditions under which the territory may be annexed; or
2. refer to the resolution of the board for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.057. ELECTION RESULTS. (a) The board shall issue an order declaring the results of the annexation election.

(b) If the order shows that a majority of the votes cast are in favor of annexation, the board shall annex the proposed territory to the district. The annexation is incontestable except within the time for contesting elections under the general election law.

(c) A certified copy of the order shall be recorded in the deed records of the county in which the territory is located.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.058. ANNEXATION OF CERTAIN MUNICIPAL TERRITORY. (a) Territory annexed to any municipality in the district may be annexed to the district as provided by this section.

(b) At any time after final passage of an ordinance or resolution annexing territory to a municipality in the district, the board may give notice of a hearing on the question of annexing that
territory or any part of that territory to the district. The notice is sufficient if it:

(1) states the date and place of the hearing; and
(2) describes the area proposed to be annexed or refers to the annexation ordinance or resolution of the municipality.

(c) At least 10 days before the date set for the hearing, the notice must be published one time in a newspaper of general circulation in the annexing municipality.

(d) If, as a result of the hearing, the board finds that the territory will benefit from the water supplied or to be supplied by the district, the board shall adopt a resolution annexing the territory to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.059. ASSUMPTION OF DEBT; TAXES. (a) After territory is annexed to the district, the board may hold an election in the district as enlarged to determine whether the district as enlarged shall assume any tax-supported bonds then outstanding and those previously voted but not yet sold and impose an ad valorem tax on all taxable property in the district as enlarged to pay the bonds, unless the proposition is voted along with the annexation election and becomes binding on the territory annexed.

(b) An election held under Subsection (a) shall be held in the same manner as an election under this chapter for the issuance of bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.060. RESTRICTION ON ANNEXATION OF RAILROAD RIGHT-OF-WAY, TRANSMISSION LINE, OR OTHER UTILITY PROPERTY. Railroad right-of-way, transmission lines and other property of electric and gas utilities that are not in the limits of a municipality will not benefit from improvements, works, and facilities the district is authorized to construct. Therefore, railroad right-of-way or transmission lines or other property of electric and gas utilities may not be annexed to the district unless the right-of-way,
transmission lines and other property of electric and gas utilities are contained in the limits of a municipality annexed to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 9055.101. BOARD. (a) The district is governed by a board of five directors.

(b) Directors serve staggered two-year terms expiring the first Tuesday of May.

(c) A majority of directors constitutes a quorum.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.102. APPOINTMENT OF DIRECTORS. In April of each year, the governing body of the City of Decatur shall appoint a director to succeed each director whose term expires during the following May.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.103. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed a director unless the person resides in and owns taxable property in the district.

(b) A member of a municipality's governing body or an employee of a municipality may not be a director.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.104. VACANCY. The governing body of the City of Decatur shall appoint a successor to fill a vacancy on the board for the unexpired term.
Sec. 9055.105. OFFICERS. (a) The board shall elect from the board's membership a president, a vice president, and any other officers as the board determines necessary. The president is the chief executive officer of the district and the presiding officer of the board. The vice president shall act as president if the president is absent or fails or declines to act.

(b) The board shall appoint a secretary and a treasurer, who are not required to be directors. The board may combine the offices of secretary and treasurer.

Sec. 9055.106. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director.

Sec. 9055.107. DIRECTOR AND TREASURER BONDS. (a) Each director shall give bond in the amount of $5,000 conditioned on the faithful performance of the director's duties. The district shall pay the cost of the bond.

(b) The treasurer shall give bond in the amount required by the board. The treasurer's bond shall be conditioned on the treasurer's faithful accounting for all money that comes into the treasurer's custody as treasurer of the district.
one or more places and in an amount approved by the Texas Commission on Environmental Quality by constructing one or more dams inside or outside the district in Wise County. In exercising its powers under this subsection, the district shall comply with Subchapters A-D, Chapter 11, and Subchapter B, Chapter 12, Water Code.

(b) A dam or other works for the impounding of water under this section may not be constructed until the plans for the dam or other works are approved by the Texas Commission on Environmental Quality.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.152. SOURCES OF WATER. The district may develop or otherwise acquire sources of water.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.153. CONSTRUCTION OR ACQUISITION OF PROPERTY. (a) The district may construct or otherwise acquire all works, plants, and other facilities necessary or useful for the purpose of processing water impounded, developed, or otherwise acquired and transporting it to municipalities and others for municipal, domestic, and industrial purposes.

(b) The district, inside or outside the district, may:

(1) construct or otherwise acquire all works, plants, and other facilities necessary for the purpose of receiving and treating water purchased from others; and

(2) transport the water to municipalities and others for municipal, domestic, and industrial purposes.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.154. WATER APPROPRIATION PERMITS. The district may acquire water appropriation permits directly from the Texas Commission on Environmental Quality or from owners of permits.
Sec. 9055.155. PURCHASE OF WATER. The district may purchase water or a water supply from any person.

Sec. 9055.156. EMINENT DOMAIN. (a) To carry out a power provided by this chapter, the district may exercise the power of eminent domain to acquire land and easements inside or outside the district in Wise County, including land above the probable high water line around the reservoirs.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The board shall determine the amount and the type of interest in land and easements to be acquired under this section.

Sec. 9055.157. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Sec. 9055.158. CONSTRUCTION CONTRACTS. (a) This section applies only to a construction contract or contract for the purchase of materials, equipment, or supplies requiring an expenditure of more
than $2,000.

(b) The district shall award a contract to the lowest and best bidder after publishing notice to bidders once a week for two weeks in a newspaper published in the district that is designated by the board.

(c) The notice is sufficient if it states:
   (1) the time and place for opening the bids;
   (2) the general nature of the work to be done or the materials, equipment, or supplies to be purchased; and
   (3) the place where and the terms on which copies of the plans and specifications may be obtained.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.159. CONTRACTS TO SUPPLY WATER AND OPERATE FACILITIES. (a) The district may contract with municipalities and others to supply water to those entities.

(b) The district may contract with a municipality for the rental or leasing of or for the operation of the water production, water supply, and water supply facilities of the municipality.

(c) The district may contract with the City of Decatur for the operation of the district's facilities by the city.

(d) The contract may be on terms and for the time agreed to by the parties.

(e) The contract may provide that it will continue in effect until bonds specified in it and refunding bonds issued in lieu of the bonds are paid.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.160. ADOPTION OF RULES. The board may adopt reasonable rules to:

   (1) secure, maintain, and preserve the sanitary condition of water in and water that flows into any reservoir owned by the district;
   (2) prevent waste of or the unauthorized use of water; and
   (3) regulate residence, hunting, fishing, boating, camping,
and any other recreational or business privilege along or around any district reservoir and the stream leading into the reservoir, and its tributaries, or any body of land, or easement owned or controlled by the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.161. APPLICABILITY AND ENFORCEMENT OF CERTAIN LAWS. (a) The general laws applicable to a water control and improvement district for the preservation of the sanitary condition of water, the prevention of waste, and the regulation of hunting, fishing, boating, and other similar uses, apply to the district.

(b) The law officers of the county and state shall enforce in court the laws described by Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER E. GENERAL FINANCIAL AND ADMINISTRATIVE PROVISIONS

Sec. 9055.201. DEPOSITORY. (a) Except as provided by Subsection (i), the board shall designate one or more banks in the district to serve as depository for the district's money.

(b) District money shall be deposited with a designated depository bank or banks, except that:

(1) money pledged to pay bonds may be deposited with the trustee bank named in the trust agreement; and

(2) money shall be remitted to the bank of payment for the payment of principal of and interest on bonds.

(c) To the extent that money in a depository bank or a trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) The board shall prescribe the terms of service for depositories.

(e) Before designating a depository bank, the board shall issue a notice that:

(1) states the time and place at which the board will meet to designate a depository bank or banks; and
(2) invites the banks in the district to submit an application to be designated as a depository.

(f) The notice must be published one time in a newspaper published in the district and specified by the board.

(g) At the time stated in the notice, the board shall:

(1) consider the application and the management and condition of each bank that applies; and

(2) designate as a depository the bank or banks that:

(A) offer the most favorable terms for handling the money; and

(B) the board finds have proper management and are in condition to handle the money.

(h) Membership on the board of an officer or director of a bank does not disqualify the bank from being designated as a depository.

(i) If the board does not receive any applications before the time stated in the notice, or if the board rejects all applications, the board shall designate one or more banks located inside or outside the district on terms that the board finds advantageous to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.202. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION. The district is not required to pay a tax or assessment on a project or any part of a project.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.203. COLLECTION OF DISTRICT TAXES; CONTRACTS FOR PERFORMANCE OF ADMINISTRATIVE DUTIES. (a) The City of Decatur shall collect all taxes imposed by the district.

(b) The district may enter into a contract with the City of Decatur under which municipal employees, including the tax collector and assessor of the municipality, perform administrative duties that might otherwise require the district to employ personnel.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
eff. April 1, 2017.

**SUBCHAPTER F. BONDS**

Sec. 9055.251. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds to:

1. provide a source of water supply for municipalities and other users for municipal, domestic, and industrial purposes; or
2. carry out any other power conferred by this chapter.

(b) The bonds must be authorized by a board resolution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.252. FORM OF BONDS. District bonds must be:

1. issued in the district’s name;
2. signed by the president or vice president; and
3. attested by the secretary.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.253. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a district election held for that purpose at which a majority of the votes cast favor the bond issuance.

(b) The board may order an election under this section without a petition. The order must specify:

1. the time and places at which the election will be held;
2. the purpose for which the bonds will be issued;
3. the maximum amount of the bonds;
(4) the maximum maturity of the bonds;
(5) the form of the ballot; and
(6) the presiding judge for each voting place.

(c) Notice of the election must be given by publishing a substantial copy of the order calling the election in a newspaper published in the district for two consecutive weeks. The first publication must be not later than the 21st day before the date of the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.255. BONDS PAYABLE FROM REVENUE. (a) In this section, "net revenue" means the gross revenue of the district minus the amount necessary to pay the cost of maintaining and operating the district and its property.

(b) Bonds issued under this subchapter may be secured under board resolution by a pledge of:

(1) all or part of the district's net revenue;
(2) the net revenue of one or more contracts made before or after the issuance of the bonds; or
(3) other revenue specified by board resolution.

(c) The pledge may reserve the right to issue additional bonds on a parity with or subordinate to the bonds being issued, subject to conditions specified by the pledge.

(d) Bonds not payable wholly or partly from ad valorem taxes may be issued without an election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.256. BONDS PAYABLE FROM AD VALOREM TAXES. The district may issue bonds payable from:

(1) ad valorem taxes imposed on taxable property in the district; or
(2) ad valorem taxes and revenue of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9055.257. TAX AND RATE REQUIREMENTS. (a) If the district
issues bonds payable wholly or partly from ad valorem taxes, the
board shall impose a tax sufficient to pay the bonds and the interest
on the bonds as the bonds and interest become due. The board may
adopt the rate of the tax after considering the money received from
the pledged revenue available for payment of principal and interest
to the extent and in the manner permitted by the resolution
authorizing the issuance of the bonds.

(b) If the district issues bonds payable wholly or partly from
revenue, the board shall set and revise the rates of compensation for
water sold and services rendered by the district.

(c) For bonds payable wholly from revenue, the rates of
compensation must be sufficient to:

(1) pay the expense of operating and maintaining the
facilities of the district;

(2) pay the bonds as they mature and the interest as it
accrues; and

(3) maintain the reserve and other funds as provided by the
resolution authorizing the issuance of the bonds.

(d) For bonds payable partly from revenue, the rates of
compensation must be sufficient to assure compliance with the
resolution authorizing the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
eff. April 1, 2017.

Sec. 9055.258. ADDITIONAL SECURITY. (a) Bonds, including
refunding bonds, authorized by this subchapter that are not payable
wholly from ad valorem taxes may be additionally secured by a deed of
trust lien on physical property of the district and all franchises,
easements, water rights and appropriation permits, leases, contracts,
and all rights appurtenant to the property, vesting in the trustee
power to:

(1) sell the property for payment of the debt;

(2) operate the property; and

(3) take other action to further secure the bonds.

(b) The deed of trust may:
(1) contain any provision the board prescribes to secure the bonds and preserve the trust estate;
(2) provide for amendment or modification of the deed of trust; and
(3) provide for the issuance of bonds to replace lost or mutilated bonds.
(c) A purchaser under a sale under the deed of trust:
(1) is the owner of the dam or dams and the other property and facilities purchased; and
(2) is entitled to maintain and operate the property and facilities.

Sec. 9055.259. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of bonds issued under this subchapter for the payment of interest expected to accrue during construction and for one year after construction in a reserve interest and sinking fund. The resolution authorizing the bonds may provide for setting aside and using the proceeds as provided by this subsection.
(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purposes of the district.

Sec. 9055.260. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of principal of or interest on bonds issued under this subchapter that are payable wholly or partly from revenue, a court may, on petition of the holders of 25 percent of the outstanding bonds of the issue in default or threatened with default, appoint a receiver for the district.
(b) The receiver may collect and receive all district income except taxes, employ and discharge district agents and employees, take charge of money on hand, except money received from taxes, unless commingled, and manage the district's proprietary affairs.
without the consent of or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or to renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.261. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding bonds issued under this subchapter and interest on those bonds.

(b) Refunding bonds may:

1. be issued to refund bonds of more than one series;
2. combine the pledges for the outstanding bonds for the security of the refunding bonds; or
3. be secured by a pledge of other or additional revenue.

(c) The provisions of this subchapter regarding the issuance of other bonds and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9055.262. BONDS EXEMPT FROM TAXATION. A bond issued under this subchapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from
taxation in this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

**CHAPTER 9056. WILLOW CREEK WATER CONTROL DISTRICT**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 9056.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Willow Creek Water Control District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9056.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Runnels and Tom Green Counties.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9056.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All territory included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(b) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(c) The accomplishment of the purposes stated in this chapter will benefit the people of this state and improve their property and industries.

(d) The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9056.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 638, Acts of the 60th Legislature, Regular Session, 1967, as that territory may have been modified under:

1. Subchapter O, Chapter 51, Water Code;
2. Subchapter J, Chapter 49, Water Code; or
3. other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

1. the district's organization, existence, or validity;
2. the district's right to issue any type or kind of bond or to pay the principal of and interest on the bond;
3. the district's right to impose a tax; or
4. the legality or operation of the district or the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9056.005. APPLICABILITY OF WATER CONTROL AND IMPROVEMENT DISTRICTS LAWS. Except as provided by this chapter, the general laws pertaining to water control and improvement districts, including Chapters 49 and 51, Water Code, govern the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9056.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9056.052. QUALIFICATIONS FOR OFFICE. (a) Each director of the district must:
(1) be a landowner within the district; and
(2) reside in Runnels or Tom Green County.

(b) A director must maintain compliance with the requirements of Subsection (a) during the director's tenure in office or vacate that office.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9056.053. DIRECTOR'S BOND. Each director shall give bond in the amount of $5,000 for the faithful performance of the director's duties.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9056.054. FAILURE TO CALL DIRECTOR ELECTION. Failure to call a director election does not affect the legal status of the district, the board, or a director or the right of the board to act or function, and the directors continue to serve until an election is held and succeeding directors have been elected or appointed and have qualified.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9056.101. GENERAL POWERS. The district may exercise the rights, privileges, and functions specified by this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9056.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by the general laws of this state applicable to a water control and improvement district created under Section 59, Article XVI, Texas
Constitution, including the power to:

(1) construct, acquire, improve, maintain, and repair a dam or other structure; and

(2) acquire, by eminent domain or otherwise, land, easements, equipment, or other property that may be needed to use, control, and distribute any water that may be impounded, diverted, or controlled by the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9056.103. POWERS RELATING TO THE WATER OF WILLOW CREEK; SURVEYS AND PLAN. (a) The district shall conduct preliminary surveys and develop a plan for the control and use of the water of Willow Creek to the end that improvements on any one part of the watershed will be mechanically and economically related to the improvements of the entire watershed.

(b) On completion of the surveys and plan and adoption of the surveys and plan by the board, a certified copy of the surveys and plan shall be filed for informational purposes with the Texas Commission on Environmental Quality.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9056.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.
Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9056.105. COOPERATION IN WILDLIFE PROGRAMS. The district may cooperate with state, federal, and other agencies and groups in wildlife programs that are:

(1) not inconsistent with the purposes of the district under this chapter; and

(2) designed to improve the general habitat of wildlife and promote the propagation of wildlife.

Sec. 9056.106. WATERSHED PROTECTION AND FLOOD PREVENTION ACT. Subject to Section 9056.153, the district has the power necessary to fully qualify for and gain the full benefits of the Watershed Protection and Flood Prevention Act (16 U.S.C. Section 1001 et seq.), including:

(1) all powers necessary to carry out the projects, works, and improvements contemplated by the Watershed Protection and Flood Prevention Act;

(2) the power to secure a loan or loans from the proper agencies of the federal government for the purpose of defraying the costs and expenses of the district in connection with carrying out its projects, works, and improvements under the Watershed Protection and Flood Prevention Act; and

(3) if necessary, the power to issue bonds as collateral for a loan described by Subdivision (2).

Sec. 9056.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation, and taxes imposed by the district shall be on the ad valorem basis.

(b) A hearing on a plan of taxation is not required.
Sec. 9056.152. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on a project or any part of a project.

Sec. 9056.153. ELECTION REQUIRED FOR FEDERAL LOAN. The district may not consummate a loan from the federal government unless the loan is authorized by a majority of the votes cast in a district election.

Sec. 9056.154. MAINTENANCE TAX ELECTION PROCEDURES. A maintenance tax election shall be held and notice of the election shall be given in the manner required by general law for a bond election.

Sec. 9056.155. SPECIFICATION OF MAINTENANCE TAX RATE AND METHOD. In calling a maintenance tax election, the board shall specify:

(1) the maximum tax rate that may be imposed in any year;

and

(2) that the tax will be imposed on an ad valorem basis.
Sec. 9056.156. USE OF MAINTENANCE TAX PROCEEDS. (a) The district may spend maintenance tax proceeds for:

(1) an easement or right-of-way;
(2) any purpose for which a district may spend bond proceeds; and
(3) maintenance purposes.

(b) The district may place surplus maintenance tax proceeds not needed for maintenance purposes into the sinking funds for outstanding district bonds.

(c) The board's determination to spend district maintenance tax proceeds is final and is not subject to judicial review, except on the grounds of fraud, palpable error, or gross abuse of discretion.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9056.157. APPROVAL OF AND FUNDING FOR CERTAIN PLANS FOR WORKS AND IMPROVEMENTS. (a) In this section, "commission" means the Texas Commission on Environmental Quality.

(b) This section applies only to plans contemplated by the district for works and improvements, or amendments to the plans, that are prepared by the Natural Resources Conservation Service of the United States Department of Agriculture and approved by the district's board.

(c) An engineer's report covering the plans and improvements to be constructed, and the maps, plats, profiles, and data fully showing and explaining the plans and improvements, are not required to be filed in the district office before an election is held to authorize the issuance of bonds for the works and improvements. The plans and specifications, engineering reports, profiles, maps, and other data, and subsequent amendments to those items, are not required to be approved by the commission before the bonds are issued.

(d) Before the district may spend any money for the construction of any works and improvements, the commission must approve the portion of the works and improvements to be constructed. The commission's advance approval for the entire project contemplated by the district is not required. The commission may approve on a separate or individual basis the portion of the project or works and improvements:
(1) to be constructed at a particular time; and
(2) on which plans and specifications of the Natural
Resources Conservation Service have been prepared and submitted by
the board to the commission.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
eff. April 1, 2017.

SUBCHAPTER E. BONDS

Sec. 9056.201. AUTHORITY TO ISSUE BONDS. Subject to Section
9056.202, the district may issue bonds, in the manner provided by
general law for water control and improvement districts, to:
(1) provide dams, structures, projects, and works of
improvement for flood prevention, the conservation and development of
water, and for other necessary plants, facilities, and equipment in
connection therewith and for the improvement, repair, and operation
of same;
(2) carry out any other power provided by this chapter or
by Chapter 49 or 51, Water Code; and
(3) pay all costs, charges, and expenses of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
eff. April 1, 2017.

Sec. 9056.202. BOND ELECTION REQUIRED. The district may not
issue bonds unless the bonds are authorized by a majority of the
votes cast in a district election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
eff. April 1, 2017.

Sec. 9056.203. BONDS EXEMPT FROM TAXATION. A bond issued under
this chapter, the transfer of the bond, and income from the bond,
including profits made on the sale of the bond, are exempt from
taxation in this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
eff. April 1, 2017.
CHAPTER 9057.  MEDINA COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 9057.001.  DEFINITIONS.  In this chapter:
(1) "Board" means the district's board of directors.
(2) "District" means the Medina County Water Control and Improvement District No. 2.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9057.002.  NATURE OF DISTRICT.  The district is:
(1) a conservation and reclamation district in Medina County under Section 59, Article XVI, Texas Constitution; and
(2) a municipal corporation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9057.003.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  (a) The district is created to serve a public use and benefit.
(b) All land included in the boundaries of the district will benefit from that inclusion.
(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9057.004.  DISTRICT TERRITORY.  The district is composed of the territory described by Section 1, Chapter 198, Acts of the 53rd Legislature, Regular Session, 1953, as that territory may have been modified under:
(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.
Sec. 9057.051. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9057.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

SEC. 9057.102. ACQUISITION OF PROPERTY; LIMIT ON EMINENT DOMAIN POWER. (a) The district may acquire property that is necessary to accomplish the objectives of the district.

(b) To facilitate the acquisition of property, the district may exercise the power of eminent domain available to water control and improvement districts under general law.

(c) The powers granted in this section apply only in Medina County.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9057.103. COST OF RELOCATING PROPERTY. If the district's exercise of a power granted by this chapter makes necessary the relocation of a railroad line or right-of-way, the district shall pay the cost of the relocation and any actual and reasonable damage incurred in changing and adjusting the railroad lines and grades.

Statute text rendered on: 6/18/2019
SUBCHAPTER D.  BONDS

Sec. 9057.151.  AUTHORITY TO ISSUE BONDS; BOND ELECTION.  (a) The district may issue bonds pursuant to a board order or resolution adopted after the proposition authorizing the bonds is:

(1) submitted to district voters at an election; and
(2) adopted by a majority of the district voters voting at the election.

(b) The district may issue bonds under this section for any purpose permitted to water control and improvement districts and in the manner and to the extent provided by the general laws governing water control and improvement districts.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9057.152.  CERTAIN BOND COVENANTS AUTHORIZED.  An order or resolution authorizing the issuance of district bonds may contain any covenant the board considers necessary to ensure:

(1) the creation and maintenance of proper reserves; and
(2) the payment of the principal of and interest on the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9059.  RIO GRANDE PALMS WATER DISTRICT

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 9059.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a member of the board.
(3) "District" means the Rio Grande Palms Water District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9059.002. NATURE OF DISTRICT. The district is:
(1) a conservation and reclamation district in Cameron County under Section 59, Article XVI, Texas Constitution; and
(2) a municipal corporation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9059.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution, including the conservation and utilization of water.
(b) All land included in the district will benefit from that inclusion.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9059.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 324, Acts of the 57th Legislature, Regular Session, 1961, as that territory may have been modified under:
(1) Subsection (b) or its predecessor statute, Section 1, Chapter 324, Acts of the 57th Legislature, Regular Session, 1961;
(2) Subchapter O, Chapter 51, Water Code;
(3) Subchapter J, Chapter 49, Water Code; or
(4) other law.
(b) The Commissioners Court of Cameron County shall redefine the boundaries of the district contained in Section 1, Chapter 324, Acts of the 57th Legislature, Regular Session, 1961, to correct any error or omission in those boundaries.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 9059.051. COMPOSITION OF BOARD. The board is composed of five elected directors.
Sec. 9059.052. QUALIFICATION FOR OFFICE. (a) A director must own land in the district.
(b) A director is not required to reside in the district.

Sec. 9059.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Sec. 9059.102. ACQUISITION OF PROPERTY. The district may acquire property located inside or outside the district that the board considers necessary to accomplish the district's objectives.

Sec. 9059.103. LIMIT ON EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain outside the district.

Sec. 9059.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the
construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

**SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS**

Sec. 9059.151. MAINTENANCE TAX. The board may impose an ad valorem tax on all taxable property in the district for the maintenance and operation of district works and facilities if the tax is authorized by an election held as provided by law relating to water control and improvement district bond elections.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

**SUBCHAPTER E. BONDS**

Sec. 9059.201. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds pursuant to a resolution adopted by the board if a majority of district voters voting at an election vote to adopt the proposition authorizing the bonds.

(b) The district may issue bonds for any purpose permitted to a water control and improvement district, including:

(1) the improvement of rivers, creeks, streams, arroyos, and resacas, to prevent overflow, to furnish access to land in the district, to permit navigation of the water or irrigation of land in the district, or in aid of those purposes; or

(2) the acquisition of water rights, the construction or acquisition by purchase or other means, and maintenance of pools, lakes, reservoirs, dams, pipelines, canals and waterways, pumps, pump
houses, and all other useful equipment, machinery, and facilities, for the purpose or in aid of irrigation, drainage, conservation, or navigation, including the purchase of an existing irrigation or conservation system.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9059.202. EXCHANGING BONDS FOR PROPERTY. The district may exchange bonds for property acquired for the use and benefit of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9059.203. CERTAIN BOND COVENANTS AUTHORIZED. A resolution authorizing the issuance of district bonds may contain any covenant the board considers necessary to ensure:

(1) the creation and maintenance of proper reserves; and
(2) the payment of the principal of and interest on the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9059.204. MATURITY. District bonds, including refunding bonds, must mature not later than 40 years after the date of their issuance.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9059.205. USE OF BOND PROCEEDS. The district may appropriate and pay from the proceeds of the sale of bonds the interest to accrue on the bonds for a period not to exceed three years from their date.
Sec. 9059.206. BONDS SECURED BY AD VALOREM TAXES. (a) If bonds have been voted, the board shall impose a continuing ad valorem tax on all property in the district sufficient:

(1) to pay the principal and interest on the bonds as the principal and interest respectively mature;
(2) to create and maintain any reserve required by the resolution or resolutions authorizing the issuance of the bonds;
(3) to pay the expense of assessing and collecting the tax; and
(4) for anticipated delinquencies in the tax payments.

(b) The board annually shall determine and set or cause to be determined and set the rate of the ad valorem tax to be imposed under this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9059.207. REFUNDING BONDS. (a) The district may issue refunding bonds without an election.

(b) District bonds may be refunded by:

(1) the issuance and delivery to holders of refunding bonds in lieu of the outstanding bonds; or
(2) the sale of refunding bonds and the use of the proceeds for retiring the outstanding bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9060. SAN LEON MUNICIPAL UTILITY DISTRICT OF GALVESTON COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9060.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "District" means the San Leon Municipal Utility District of Galveston County, Texas.
Sec. 9060.002. NATURE OF DISTRICT. The district is:
(1) a conservation and reclamation district in Galveston County under Section 59, Article XVI, Texas Constitution; and
(2) a municipal corporation.

Sec. 9060.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit. 
(b) All land and other property included in the district will benefit from the creation of the district and the improvements the district will purchase, construct, or otherwise acquire. 
(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 9060.004. APPLICABILITY OF CERTAIN STATUTES; DISSOLUTION OF DISTRICT. (a) Except as provided by Subsection (b), Sections 51.781-51.791, Water Code, do not apply to the district.
(b) The district may be dissolved by the board in accordance with Sections 51.781-51.791, Water Code.

SUBCHAPTER B. DISTRICT TERRITORY
Sec. 9060.051. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 520, Acts of the 59th Legislature, Regular Session, 1965, as that territory may have been modified under:
(1) Subchapter O, Chapter 51, Water Code;
Sec. 9060.052. ADDITION OF LAND TO DISTRICT. The district may not add land to the district unless:

(1) an owner of land adjacent or contiguous to the district requests in writing that the district add land;
(2) the owner of the land to be added consents to the addition; and
(3) the land is adjacent or contiguous to the district when added.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 9060.101. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 9060.151. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9060.152. ACQUISITION OF IMPROVEMENTS. The district may make, construct, or otherwise acquire improvements inside or outside the district that are necessary or convenient to carry out a power granted to the district under this chapter or a general law described by Section 9060.151.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9060.153. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.

(b) If the district's exercise of the power of eminent domain, power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9060.154. LIMIT ON EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain outside the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9060.155. DURATION OF CONTRACT FOR WATER PURCHASE OR SALE. A district contract for the purchase or sale of water may not exceed 40 years.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
Sec. 9060.156. INSTALLATION OF STREETLIGHTS. (a) On approval by a majority of the voters of the district voting at an election held for that purpose, the district may:

(1) install, operate, and maintain street lighting in a public utility easement or public right-of-way inside the district; and

(2) assess the cost of the installation, operation, and maintenance of the street lighting as an additional charge in the monthly billings of the district's customers.

(b) The district may not use money from taxes or bonds supported by taxes for a purpose described by this section.

(c) This section does not authorize the district to install, operate, or maintain street lighting on a right-of-way that is part of the designated state highway system.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 9060.201. TAX METHOD. (a) The district shall use the ad valorem basis or plan of taxation.

(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9061. TATTOR ROAD MUNICIPAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9061.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a member of the board.

(3) "District" means the Tattor Road Municipal District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9061.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter will benefit the people of this state and improve their property and industries.

(e) The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 846, Acts of the 61st Legislature, Regular Session, 1969, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9061.005 or its predecessor statute, former Section 9, Chapter 846, Acts of the 61st Legislature, Regular Session, 1969; or
(4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes
in the legislative process does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
(3) the district's right to impose a tax; or
(4) in any other manner, the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.005. EXPANSION OF DISTRICT. (a) If land is annexed by the district under Section 49.301 or 51.714, Water Code, the board may require the petitioners to:

(1) assume the petitioners' pro rata share of the voted but unissued bonds of the district; and
(2) authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.

(b) If land is annexed by the district under Section 49.302, Water Code, the board may submit to the voters of the area to be annexed a proposition on the question of the assumption by the area to be annexed of its part of the voted but not yet issued or sold tax or tax-revenue bonds of the district and the imposition of an ad valorem tax on taxable property in the area to be annexed along with a tax in the rest of the district for the payment of the bonds.

(c) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued tax or tax-revenue bonds regardless of changes to district boundaries since the voting or authorization of those bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.006. HEARINGS FOR EXCLUSION OF LAND. (a) The board is not required to call or hold a hearing on the exclusion of land or other property from the district; provided, however, that the board shall hold a hearing if an owner of land or other property located in the district files a written petition for a hearing with the board
secretary before the district's first bond election is called.

(b) The board may act on the petition in the same manner that it may act on a petition for the addition of land under Section 49.301 or 51.714, Water Code. A notice of hearing is not required.

(c) The board on its own motion may call and hold an exclusion hearing under general law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.007. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and duties are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the impact on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9061.051. COMPOSITION OF BOARD. The board consists of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.052. APPOINTMENT OF TREASURER. The board may appoint the treasurer.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.053. DIRECTOR AND TREASURER BONDS. (a) Each
director shall qualify by giving bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The directors' bonds must be recorded in a record kept for that purpose in the district's office.

(c) The treasurer shall give bond in the amount required by the board, conditioned on the treasurer's faithful accounting for all money that comes into the treasurer's custody as district treasurer.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.054. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The county judge of Harris County shall appoint directors to fill all of the vacancies on the board if the number of qualified directors is less than three.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.055. BOARD PRESIDENT'S POWER TO EXECUTE CONTRACTS. The board president may execute all contracts, including construction contracts, entered into by the board on behalf of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.056. ABSENCE OR INACTION OF BOARD PRESIDENT. (a) When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power that this chapter or general law gives the president.

(b) If the board president is absent from a board meeting, the board vice president may sign an order adopted or other action taken at the meeting, or the board may authorize the president to sign the order or action.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06,
Sec. 9061.057. DISTRICT OFFICE. (a) The board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a district office outside the district, the board shall give notice of the location of that office by:

(1) filing a copy of the board resolution that establishes the location of the office:

(A) with the Texas Commission on Environmental Quality; and

(B) in the water control and improvement district records of Harris County; and

(2) publishing the location of the office in a newspaper of general circulation in Harris County.

(c) A district office may be a private residence, office, or dwelling. A district office that is a private residence, office, or dwelling is a public place for matters relating to the district's business.

(d) The board shall give notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9061.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has all of the rights, powers, privileges, and functions provided by general law applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9061.102. ADDITIONAL POWERS. (a) The district may:
(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, or improvements, existing or to be made, constructed, or acquired, inside or outside the district’s boundaries and necessary to carry out the powers granted by this chapter or general law; or
(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:
(A) the purchase or sale of water;
(B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;
(C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and
(D) the performance of any of the rights or powers granted by this chapter or general law relating to water control and improvement districts.
(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.103. LIMIT ON EMINENT DOMAIN. The district may exercise the power of eminent domain only:
(1) in Harris County; and
(2) when necessary to carry out the purposes for which the district was created.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the
construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.

(b) If the district's exercise of the power of eminent domain makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telegraph or telephone property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.105. NOTICE OF ELECTION. Notice of an election may be given under the hand of the board president or secretary.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9061.151. TAX METHOD. (a) The district shall use the ad valorem plan of taxation.

(b) The board is not required to call or hold a hearing on the adoption of a plan of taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.153. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be
delivered:
  (1) to each director; and
  (2) to a holder of at least 25 percent of the outstanding bonds of the district, on request.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:
  (1) district property; or
  (2) a purchase made by the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.155. DEPOSITORY. (a) The board shall select one or more banks in this state to act as depository for the district's money.
  (b) To the extent that money in the depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.
  (c) A director may be a shareholder in a bank that is a depository of district money.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

**SUBCHAPTER E. BONDS**

Sec. 9061.201. ISSUANCE OF BONDS. (a) The district may issue tax bonds, revenue bonds, or tax and revenue bonds to provide money for any purpose of this chapter, including the acquisition of land.
  (b) The district must issue bonds in the manner provided by Chapters 49 and 51, Water Code, except that the district may issue bonds payable solely from net revenue by resolution or order of the board without an election.
  (c) Bonds issued under this subchapter may be payable from all
or any designated part of the revenue of district property and facilities or under a specific contract, as provided in the order or resolution authorizing the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.202. ADDITIONAL SECURITY. (a) Within the discretion of the board, bonds issued under this subchapter may be additionally secured by a deed of trust or mortgage lien on physical property of the district and franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to that property, vesting in the trustee:

(1) the power to sell the property for payment of the debt;
(2) the power to operate the property; and
(3) all other powers to further secure the bonds.

(b) A purchaser under a sale under the deed of trust or mortgage lien, if one is given:

(1) is the absolute owner of the property, facilities, and rights purchased; and
(2) may maintain and operate the property and facilities.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.203. TRUST INDENTURE. A trust indenture created under Section 9061.202, regardless of the existence of a deed of trust or mortgage lien on the property, may:

(1) contain provisions prescribed by the board for the security of the bonds and the preservation of the trust estate;
(2) provide for amendment or modification of the trust indenture;
(3) provide for the issuance of bonds to replace lost or mutilated bonds;
(4) condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and
(5) provide for the investment of district money.
Sec. 9061.204. ORDER OR RESOLUTION AUTHORIZING ISSUANCE OF CERTAIN BONDS. (a) In an order or resolution authorizing the issuance of revenue, tax-revenue, revenue refunding, or tax-revenue refunding bonds, the board may:

(1) provide for:
   (A) the flow of money; and
   (B) the establishment and maintenance of the interest and sinking fund, reserve fund, or other fund;

(2) make additional covenants with respect to the bonds and the pledged revenue and the operation and maintenance of the improvements and facilities the revenue of which is pledged, including provisions for the operation or leasing of all or part of the improvements and facilities and the use or pledge of money received from the operation contract or lease as the board considers appropriate;

(3) prohibit the further issuance of bonds or other obligations payable from the pledged revenue or reserve the right to issue additional bonds to be secured by a pledge of and payable from the revenue on a parity with, or subordinate to, the lien and pledge in support of the bonds being issued, subject to any conditions set forth in the order or resolution; and

(4) include any other provision or covenant, as the board determines, that is not prohibited by the Texas Constitution or this chapter.

(b) The board may adopt and cause to be executed any other proceeding or instrument necessary or convenient in the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9061.205. USE OF BOND PROCEEDS. (a) The district may appropriate or set aside out of proceeds from the sale of district bonds an amount for:

(1) the payment of interest, administrative, and operating
expenses expected to accrue during the period of construction, as may be provided in the bond orders or resolutions; and

(2) the payment of all expenses incurred and to be incurred in the issuance, sale, and delivery of the bonds.

(b) For purposes of this section, the period of construction may not exceed three years.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9062. TREASURE ISLAND MUNICIPAL UTILITY DISTRICT OF BRAZORIA COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9062.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "District" means the Treasure Island Municipal Utility District of Brazoria County, Texas.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9062.002. NATURE OF DISTRICT. The district is:

(1) a conservation and reclamation district in Brazoria County under Section 59, Article XVI, Texas Constitution;

(2) a water control and improvement district; and

(3) a municipal corporation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9062.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property in the district will benefit from the creation of the district and the improvements the district will purchase, construct, or otherwise acquire.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 9062.004. DISSOLUTION OF DISTRICT. The district may be dissolved by the board in accordance with Sections 51.781-51.791, Water Code.

Sec. 9062.051. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 532, Acts of the 59th Legislature, Regular Session, 1965, as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code;
(3) Section 9062.052 or its predecessor statute, former Section 4, Chapter 532, Acts of the 59th Legislature, Regular Session, 1965; or
(4) other law.

Sec. 9062.052. ADDITION OF LAND TO DISTRICT. The district may not add land to the district unless:

(1) an owner of land adjacent or contiguous to the district requests in writing that the district add land;
(2) the owner of the land to be added consents to the addition; and
(3) the land is adjacent or contiguous to the district when added.
Sec. 9062.053. EXCLUSION OF LAND FROM DISTRICT. (a) Land may be excluded from the district in the manner provided by:

(1) Subchapter O, Chapter 51, Water Code; or
(2) Subchapter J, Chapter 49, Water Code.

(b) The board is not required to call or hold a hearing on the exclusion of land or other property from the district; provided, however, that the board shall hold a hearing if an owner of land or other property located in the district files a written request for a hearing with the board secretary before the district's first bond election is called.

(c) Subsection (b) may not be construed to prevent the board on its own motion from calling and holding an exclusion hearing under general law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 9062.101. COMPOSITION OF BOARD. The board is composed of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 9062.151. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9062.152. RECLAMATION AND DRAINAGE. The district may provide for the reclamation and drainage of overflowed land and other land needing drainage in the district.
Sec. 9062.153. ACQUISITION OF IMPROVEMENTS. The district may make, construct, or otherwise acquire improvements inside or outside the district that are necessary to carry out a power granted to the district under this chapter or a general law described by Section 9062.151.

Sec. 9062.154. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the sole expense of the district.

Sec. 9062.155. LIMIT ON EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain outside the district.

Sec. 9062.156. DURATION OF CONTRACT FOR WATER PURCHASE OR SALE.
A district contract for the purchase or sale of water may not exceed 40 years.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 9062.201. TAX METHOD. (a) The district shall use the ad valorem basis or plan of taxation.
(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9062.202. DEPOSITORY. (a) The board by resolution shall designate one or more banks inside or outside the district to serve as the district's depository. A designated bank serves for two years and until a successor is designated.
(b) All district money shall be secured in the manner provided for securing county funds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9063. UPPER JASPER COUNTY WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9063.001. DEFINITIONS. In this chapter:
(1) "Authority" means the Upper Jasper County Water Authority.
(2) "Board" means the authority's board of directors.
(3) "Director" means a board member.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9063.002. NATURE OF AUTHORITY. (a) The authority is a
conservation and reclamation district.

(b) The creation of the authority is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9063.003. AUTHORITY TERRITORY. The authority consists of the territory included in the boundaries of County Commissioners Precincts 1 and 2 of Jasper County, as those boundaries existed on June 22, 1955. The authority's territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code;
(2) Subchapter J, Chapter 49, Water Code; or
(3) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9063.004. SABINE RIVER AUTHORITY NOT AFFECTED; LEGISLATIVE INTENT. In enacting Chapter 508, Acts of the 54th Legislature, Regular Session, 1955, revised as this chapter, the legislature intended to preserve the area and authority of the Sabine River Authority as that area and authority existed on June 22, 1955, and this chapter may not be construed as limiting the area and authority of the Sabine River Authority as it existed on June 22, 1955.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9063.051. COMPOSITION OF BOARD. The authority is governed by a board of five elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.
Sec. 9063.052. QUALIFICATIONS FOR OFFICE. (a) A director must be:

(1) at least 18 years of age;
(2) a resident of the state and authority; and
(3) the owner of property subject to taxation in the authority.

(b) At least one director must reside in County Commissioners Precinct 1 of Jasper County.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9063.101. GENERAL POWERS. The authority may exercise the rights, privileges, and functions provided by this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9063.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The authority has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9063.103. COOPERATION AND AGREEMENTS WITH OTHER AGENCIES. (a) On terms the board determines to be in the best interests of the authority, the authority may cooperate and enter into agreements with another political subdivision of the state, including the Sabine River Authority, for the construction, improvement, extension, maintenance, repair, and operation of water supply and distribution projects and facilities in the authority.

(b) The authority may, separately or jointly with an agency described by Subsection (a), acquire, construct, enlarge, improve, extend, repair, maintain, and operate water distribution projects and
facilities for supplying water to users in the authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

Sec. 9063.104. COST OF RELOCATING OR ALTERING PROPERTY. If the authority's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a railroad, highway or other public road, electric transmission line, or telephone or telegraph property or facility, the necessary action shall be accomplished at the sole expense of the authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9063.151. TAX METHOD; HEARING REQUIRED. Before an election authorizing bonds, the board must hold a public hearing on the adoption of the plan of taxation to be used by the authority and adopt a plan of taxation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.06, eff. April 1, 2017.

CHAPTER 9066. HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 119

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9066.001. DEFINITION. In this chapter, "district" means the Harris County Water Control and Improvement District No. 119.

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 18, eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9066.051. EMINENT DOMAIN. (a) The district may exercise
the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(b) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. 4175), Sec. 18, eff. September 1, 2015.

CHAPTER 9067. HIDALGO COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 18

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9067.001. DEFINITION. In this chapter, "district" means the Hidalgo County Water Control and Improvement District No. 18.

Added by Acts 2015, 84th Leg., R.S., Ch. 443 (H.B. 3220), Sec. 1, eff. June 15, 2015.

Sec. 9067.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish the purposes of:

(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 443 (H.B. 3220), Sec. 1, eff. June 15, 2015.
SUBCHAPTER B. POWERS AND DUTIES

Sec. 9067.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 443 (H.B. 3220), Sec. 1, eff. June 15, 2015.

Sec. 9067.052. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, including the power to construct, participate in, own, maintain, and provide services related to water conservation projects, lakes, reservoirs, canals, and wells, and water, sewer, recycled water, and related utility facilities.

Added by Acts 2015, 84th Leg., R.S., Ch. 443 (H.B. 3220), Sec. 1, eff. June 15, 2015.

Sec. 9067.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, a municipality, or a public improvement district within a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, lakes, reservoirs, canals, underground drainage, and water treatment systems, in aid of those roads.

Added by Acts 2015, 84th Leg., R.S., Ch. 443 (H.B. 3220), Sec. 1, eff. June 15, 2015.

Sec. 9067.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 443 (H.B. 3220), Sec. 1, eff. June 15, 2015.

Sec. 9067.055. PARTICIPATION IN WATER CONSERVATION PROJECTS. The district may participate in the funding and construction of improvements related to water conservation projects within the City of McAllen Tax Increment Reinvestment Zone Number One. Those projects include the construction of lakes, reservoirs, drainage facilities, recycled water facilities, constructed wetlands and filtration systems, and related infrastructure. The district may not engage in projects authorized by this section outside of the boundaries of the district. The district may exercise the powers under this section only in cooperation with a public improvement district located within the boundaries of the City of McAllen Tax Increment Reinvestment Zone Number One under an agreement between the district and the public entity or improvement district.

Added by Acts 2015, 84th Leg., R.S., Ch. 443 (H.B. 3220), Sec. 1, eff. June 15, 2015.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 9067.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a project authorized by Section 9067.053 or 9067.055.

(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an
election held for that purpose.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 443 (H.B. 3220), Sec. 1, eff. June 15, 2015.

Sec. 9067.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding.

Added by Acts 2015, 84th Leg., R.S., Ch. 443 (H.B. 3220), Sec. 1, eff. June 15, 2015.

CHAPTER 9068. HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9068.001. DEFINITION. In this chapter, "district" means the Harris County Water Control and Improvement District No. 157.

Added by Acts 2015, 84th Leg., R.S., Ch. 890 (H.B. 4202), Sec. 1, eff. June 18, 2015.

Sec. 9068.002. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 890 (H.B. 4202), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. SUBSTITUTION OF LAND
Sec. 9068.051. SUBSTITUTING LAND OF AT LEAST EQUAL VALUE. After the district is organized and has obtained voter approval for the issuance of, or has sold, bonds payable wholly or partly from ad valorem taxes, land within the district boundaries subject to taxation that does not need or utilize the services of the district may be excluded and other land not within the boundaries of the district may be included within the boundaries of the district without impairment of the security for payment of the bonds or invalidation of any prior bond election, as provided by this section and Sections 54.740 through 54.747, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 890 (H.B. 4202), Sec. 1, eff. June 18, 2015.

Sec. 9068.052. CONSTRUCTION OF SUBCHAPTER. This subchapter shall be construed to supplement and not to supplant the provisions of general law applicable to the exclusion of land from the district or the inclusion of land within the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 890 (H.B. 4202), Sec. 1, eff. June 18, 2015.

CHAPTER 9069. HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9069.001. DEFINITION. In this chapter, "district" means the Harris County Water Control and Improvement District No. 159.

Added by Acts 2015, 84th Leg., R.S., Ch. 833 (H.B. 4203), Sec. 1, eff. June 17, 2015.

Sec. 9069.002. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 833 (H.B. 4203), Sec. 1, eff.
June 17, 2015.

**SUBCHAPTER B. SUBSTITUTION OF LAND**

Sec. 9069.051. SUBSTITUTING LAND OF AT LEAST EQUAL VALUE. After the district is organized and has obtained voter approval for the issuance of, or has sold, bonds payable wholly or partly from ad valorem taxes, land within the district boundaries subject to taxation that does not need or utilize the services of the district may be excluded and other land not within the boundaries of the district may be included within the boundaries of the district without impairment of the security for payment of the bonds or invalidation of any prior bond election, as provided by this section and Sections 54.740 through 54.747, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 833 (H.B. 4203), Sec. 1, eff. June 17, 2015.

Sec. 9069.052. CONSTRUCTION OF SUBCHAPTER. This subchapter shall be construed to supplement and not to supplant the provisions of general law applicable to the exclusion of land from the district or the inclusion of land within the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 833 (H.B. 4203), Sec. 1, eff. June 17, 2015.

**CHAPTER 9070. FAYETTE COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT—MONUMENT HILL**

Sec. 9070.001. DEFINITION. In this chapter, "district" means the Fayette County Water Control and Improvement District—Monument Hill.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.05, eff. April 1, 2019.

Sec. 9070.002. EXCLUSION OF TERRITORY. The boundaries of the district exclude the approximately 100 acres of territory previously included in the district that are located across Buckners Creek from
the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.05, eff. April 1, 2019.

Sec. 9070.003. RIGHTS OF BONDHOLDERS. The exclusion of territory under this chapter does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other certificates of indebtedness of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.05, eff. April 1, 2019.

Sec. 9070.004. TAX LIABILITY OF EXCLUDED TERRITORY. (a) Territory excluded from the district under Section 9070.002 is not released from the payment of its pro rata share of the district's debt.

(b) The district shall continue to impose taxes each year on the excluded territory at the same rate imposed on other district property until the taxes collected from the excluded territory equal its pro rata share of the district's debt at the time the territory was excluded. The taxes collected shall be applied exclusively to the payment of the excluded territory's pro rata share of the debt.

(c) The owner of all or part of the excluded territory may pay in full, at any time, the owner's share of the pro rata share of the district's debt.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.05, eff. April 1, 2019.

CHAPTER 9072. KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9072.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.
(4) "District" means the Kendall County Water Control and Improvement District No. 3.

Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

Sec. 9072.002. NATURE OF DISTRICT. The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

Sec. 9072.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

Sec. 9072.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 9072.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

Sec. 9072.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

Sec. 9072.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

1. organization, existence, or validity;
2. right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
3. right to impose a tax; or
4. legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9072.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 9072.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

Sec. 9072.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

1. R. Hunt Winton III;
2. Chad H. Foster Jr.;
3. David Sawtelle;
(4) Craig Leeder; and
(5) Zach Feller.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 9072.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 9072.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 9072.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

### SUBCHAPTER C. POWERS AND DUTIES

Sec. 9072.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

Sec. 9072.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.
Sec. 9072.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

 Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

Sec. 9072.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

 Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

Sec. 9072.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 42.042 or 42.0425, Local Government Code, and consents to the creation of the district or to the inclusion of land in the district.

 Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.
Sec. 9072.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 9072.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 9072.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.
Sec. 9072.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district boundaries to acquire a site or easement for:

(1) a recreational facility, as defined by Section 49.462, Water Code; or

(2) a road project authorized by Section 9072.103.

Sec. 9072.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 9072.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 9072.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 9072.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 9072.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 9072.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 9072.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Section 51.433, Water Code.

Sec. 9072.203. BONDS FOR ROAD PROJECTS. At the time of
issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 452 (S.B. 914), Sec. 1, eff. June 9, 2017.

CHAPTER 9073. TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 19; ANNEXATION

Sec. 9073.001. DEFINITION. In this chapter, "district" means the Travis County Water Control and Improvement District No. 19.

Added by Acts 2017, 85th Leg., 1st C.S., Ch. 6 (S.B. 6), Sec. 54, eff. December 1, 2017.

Sec. 9073.002. ANNEXATION BY MUNICIPALITY. (a) The governing body of a municipality that plans to annex all or part of the district first must adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and the following districts:

(1) Travis County Municipal Utility District No. 3;
(2) Travis County Municipal Utility District No. 4;
(3) Travis County Municipal Utility District No. 5;
(4) Travis County Municipal Utility District No. 6;
(5) Travis County Municipal Utility District No. 7;
(6) Travis County Municipal Utility District No. 8; and
(7) Travis County Municipal Utility District No. 9.

(b) On receipt of a resolution described by Subsection (a), the district and each of the districts listed in Subsection (a) shall call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) The municipality may annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) The municipality seeking annexation shall pay the costs of the elections held under this section.
CHAPTER 9074.  KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4

SUBCHAPTER A.  GENERAL PROVISIONS

Sec. 9074.001.  DEFINITIONS.  In this chapter:

(1) "Board" means the district's board of directors.
(2) "Commission" means the Texas Commission on Environmental Quality.
(3) "Director" means a board member.
(4) "District" means the Kendall County Water Control and Improvement District No. 4.

Sec. 9074.002.  NATURE OF DISTRICT.  The district is a water control and improvement district created under Section 59, Article XVI, Texas Constitution.

Sec. 9074.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 9074.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 9074.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of
land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff. June 12, 2017.

Sec. 9074.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff. June 12, 2017.

Sec. 9074.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9074.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 9074.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff. June 12, 2017.

Sec. 9074.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Stacy Keller-Lassiter;
(2) Doug Knell;
(3) Max Simpson;
(4) Victor Cummings; and
(5) Kenneth Myers.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 9074.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 9074.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 9074.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9074.101. GENERAL POWERS AND DUTIES. The district has the
powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff. June 12, 2017.

Sec. 9074.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff. June 12, 2017.

Sec. 9074.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff. June 12, 2017.

Sec. 9074.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.
Sec. 9074.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 42.042 or 42.0425, Local Government Code, and consents to the creation of the district or to the inclusion of land in the district.

Sec. 9074.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 9074.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an
order dividing the district, the district shall file the order with
the commission and record the order in the real property records of
each county in which the district is located.

(h) Any new district created by the division of the district
shall hold a confirmation and directors' election as required by
Section 9074.003.

(i) Any new district created by the division of the district
must hold an election as required by this chapter to obtain voter
approval before the district may impose a maintenance tax or issue
bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff.
June 12, 2017.

Sec. 9074.107. LIMITATION ON USE OF EMINENT DOMAIN. The
district may not exercise the power of eminent domain outside the
district boundaries to acquire a site or easement for:

(1) a recreational facility, as defined by Section 49.462,
Water Code; or

(2) a road project authorized by Section 9074.103.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff.
June 12, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9074.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
district may issue, without an election, bonds and other obligations
secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 9074.153.

(b) The district must hold an election in the manner provided
by Chapters 49 and 51, Water Code, to obtain voter approval before
the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem
taxes to finance a road project unless the issuance is approved by a
vote of a two-thirds majority of the district voters voting at an
election held for that purpose.
Sec. 9074.152.  OPERATION AND MAINTENANCE TAX.  (a) If authorized at an election held under Section 9074.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 9074.153.  CONTRACT TAXES.  (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 9074.201.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 9074.202.  TAXES FOR BONDS.  At the time the district
issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Section 51.433, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff. June 12, 2017.

Sec. 9074.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 664 (S.B. 2273), Sec. 1, eff. June 12, 2017.

For contingent expiration of this chapter, see Section 9206.003.

CHAPTER 9206. DOUBLE PLATINUM RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9206.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Double Platinum Ranch Water Control and Improvement District No. 1 of Grayson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 944 (H.B. 3984), Sec. 1, eff. September 1, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 1.01, eff. September 1, 2007.

Sec. 9206.002. NATURE OF DISTRICT. The district is a water control and improvement district in Grayson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 9206.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 9206.064 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that:

(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Grayson County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 9206.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;
(2) the right of the district to impose taxes;
(3) the validity of the district's bonds, notes, or other indebtedness; or
(4) the legality or operation of the district or the board.
Sec. 9206.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 1.02 of the article creating this chapter.

(b) The boundaries and field notes contained in Section 1.02 of the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or other indebtedness; or

(4) the legality or operation of the district or the board.

Sec. 9206.005. ANNEXATION BY CITY OF GUNTER. (a) Notwithstanding any other law, if all of the territory of the district is annexed by the City of Gunter into the corporate limits of that municipality before the date of the election held to confirm the creation of the district, the district may not be dissolved and shall continue until the district is dissolved under Section 43.074, Local Government Code.

(b) Any future annexation or inclusion of additional territory into a district governed by this chapter may not occur unless the City of Gunter is allowed to voluntarily annex the same territory into its corporate limits.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9206.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 9206.061 of this code and Section 49.102, Water Code, directors serve staggered four-year terms, with the terms of two or three directors expiring June 1 of each even-numbered year.

Added by Acts 2007, 80th Leg., R.S., Ch. 944 (H.B. 3984), Sec. 1, eff. September 1, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 1.01, eff. September 1, 2007.

Sec. 9206.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 944 (H.B. 3984), Sec. 1, eff. September 1, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 1.01, eff. September 1, 2007.

For expiration of this subchapter, see Sec. 9206.066.

SUBCHAPTER B-1. TEMPORARY PROVISIONS

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9206.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

(b) Notwithstanding Subsection (a), the district may not act as a retail provider of water or wastewater services.

(c) The district shall make its water and wastewater facilities available to an entity holding the applicable certificate of convenience and necessity.

Added by Acts 2007, 80th Leg., R.S., Ch. 944 (H.B. 3984), Sec. 1, eff. 6/18/2019 - 8415 -
Sec. 9206.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(c) If a portion of the territory of the district is excluded from the corporate limits of the City of Gunter, the district shall:
   (1) improve, maintain, repair, and operate the roads located in that portion of territory in accordance with the ordinances and rules of the political subdivision possessing jurisdiction over the roads in that portion of territory; and
   (2) pay the entire cost of performing the district's duties under Subdivision (1).

Sec. 9206.103. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if:
   (1) the district has no outstanding bonded debt;
   (2) the district is not imposing ad valorem taxes; and
   (3) each new district is within the corporate limits of the City of Gunter.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code. Sections 51.748 through 51.753, Water Code, do not apply to the district.

(c) Any new district created by the division of the district has all the powers and duties of the district.
(d) At the time of creation, any new district created by the division of the district may not contain any land outside the area described by Section 2 of the Act creating this chapter.

Text of subsection as added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 1.01

(d) At the time of creation, any new district created by the division of the district may not contain any land outside the area described by Section 1.02 of the article creating this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 944 (H.B. 3984), Sec. 1, eff. September 1, 2007.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 1.01, eff. September 1, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 1.01, eff. September 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9206.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 9206.201.

Added by Acts 2007, 80th Leg., R.S., Ch. 944 (H.B. 3984), Sec. 1, eff. September 1, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 1.01, eff. September 1, 2007.

SUBCHAPTER E. BONDS

Sec. 9206.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of a project under Section 9206.101 or 9206.102.

(b) The district may not issue bonds to finance projects authorized by Section 9206.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance
projects authorized by Section 9206.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 944 (H.B. 3984), Sec. 1, eff. September 1, 2007.
Added by Acts 2007, 80th Leg., R.S., Ch. 1129 (H.B. 4069), Sec. 1.01, eff. September 1, 2007.

SUBTITLE J. WATER IMPROVEMENT DISTRICTS

CHAPTER 9301. CAMERON COUNTY WATER IMPROVEMENT DISTRICT NUMBER TEN

Sec. 9301.001. DEFINITION. In this chapter, "district" means the Cameron County Water Improvement District Number Ten.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9301.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9301.003. PURPOSE. The purposes of the district are:
(1) to reclaim and irrigate the district's arid, semiarid, and other lands needing irrigation;
(2) to reclaim and drain the district's overflowed lands and other lands needing drainage; and
(3) all other purposes under Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9301.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 110, Acts of the 41st Legislature, 1st Called Session, 1929, as that territory may have been modified under:
(1) Chapter 2, Title 128, Revised Statutes, before August 30, 1971;
Sec. 9301.005. LEGISLATIVE FINDINGS. The legislature determines that:

(1) all property within the boundaries of the district is benefited by the creation of the district;

(2) no property not benefited by the creation of the district is included in the district's boundaries; and

(3) the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9301.006. GOVERNING LAW; POWERS AND DUTIES. (a) The district is governed by Chapters 49 and 55, Water Code.

(b) The district has the rights, powers, privileges, duties, and functions of a water improvement district under the Texas Constitution and general law, including Chapters 49 and 55, Water Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9301.007. BOARD OF DIRECTORS. (a) The board consists of five directors.

(b) A director must meet the qualifications for a director under Chapter 55, Water Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the El Paso County Water Improvement
District No. 1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 19 (S.B. 832), Sec. 1, eff.
September 1, 2011.
Amended by:
   Acts 2013, 83rd Leg., R.S., Ch. 581 (S.B. 856), Sec. 1, eff.
September 1, 2013.

SUBCHAPTER B. ADMINISTRATIVE PROVISIONS

Sec. 9303.051. VOTER ELIGIBILITY. (a) An individual is
eligible to vote in a district election only if the individual:
(1) is 18 years of age or older;
(2) is a United States citizen;
(3) holds title to or an interest in title to irrigable
land within the boundaries of the district; and
(4) receives and uses irrigation water delivered by the
district through the district's canal system.
(b) To vote in a district election, an individual eligible to
vote under Subsection (a) must register with the district not later
than the 30th day before the date on which the district election is
held.
(c) The district shall file with the county clerk of El Paso
County a certified copy of the list of the district's registered
voters not later than the 25th day before the date on which a
district election is held.

Added by Acts 2011, 82nd Leg., R.S., Ch. 19 (S.B. 832), Sec. 1, eff.
September 1, 2011.

Sec. 9303.052. DISTRICT PUBLICATION OF NOTICE CONCERNING VOTER
ELIGIBILITY AND REGISTRATION. Not later than the 60th day and not
earlier than the 90th day before the date of each district election,
the district shall publish notice of the voter eligibility and
registration requirements provided by Section 9303.051.

Added by Acts 2011, 82nd Leg., R.S., Ch. 19 (S.B. 832), Sec. 1, eff.
Sec. 9303.053. ADMINISTRATION OF ELECTIONS. (a) The district shall contract with the elections administrator of El Paso County to conduct an election held by the district.

(b) The district shall pay the costs of an election conducted under Subsection (a).

Added by Acts 2013, 83rd Leg., R.S., Ch. 581 (S.B. 856), Sec. 2, eff. September 1, 2013.

Sec. 9303.054. PUBLIC INFORMATION. (a) The district shall maintain an Internet website.

(b) The board shall make available on the district's Internet website:

(1) campaign finance reports for each director;
(2) the meeting agenda and minutes for each open meeting held by the board;
(3) archived video and audio for each open meeting held by the board;
(4) the district's budget for the current year; and
(5) any audits of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 581 (S.B. 856), Sec. 2, eff. September 1, 2013.

SUBTITLE K. SEAWALL COMMISSIONS

CHAPTER 9501. SEAWALL COMMISSION IN MATAGORDA COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9501.001. DEFINITIONS. In this chapter:

(1) "Commission" means a seawall commission established under Section 9501.002.
(2) "Commissioners court" means the Commissioners Court of Matagorda County.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 9501.002. AUTHORITY TO ESTABLISH COMMISSION. (a) The commissioners court and the governing body of a municipality in Matagorda County by resolution may establish a seawall commission to perform the functions described by Section 571.002, Local Government Code.

(b) A resolution authorized by Subsection (a) must specify the date on which the commission is established.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005. Amended by:
Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.77(24), eff. April 1, 2009.

Sec. 9501.003. JURISDICTION. (a) Except as provided by Subsection (b), the commission has jurisdiction only in county commissioners precinct number three in Matagorda County, as that precinct existed on December 31, 1959.

(b) The commission does not have jurisdiction in the municipality of Bay City.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9501.004. LAWSUITS. The commission may sue and be sued in a court in this state.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER B. COMMISSION

Sec. 9501.051. COMMISSION; TERMS. The commission is composed of three members appointed for staggered terms of six years, with one member's term expiring every two years.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9501.052. APPOINTMENT OF MEMBERS; VACANCY. (a) The members of the commission shall be appointed as follows:

(1) one member by the commissioners court;
(2) one member by the governing body of the municipality;

and

(3) one member by the commissioners court and the governing body of the municipality, acting jointly.

(b) On expiration of a member's term of office, the office shall be filled by the authority that originally appointed the member.

(c) If a vacancy occurs during the term, it shall be filled for the remainder of the term by the original appointing authority.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9501.053. ELIGIBILITY FOR APPOINTMENT. To be eligible for appointment as a member of the commission, a person must own real property in and be a qualified voter of the area in which the commission has jurisdiction.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9501.054. OATH. (a) Before assuming the duties of office, each member must:

(1) take the constitutional oath of office and swear in writing before the county judge that the member will faithfully and impartially discharge the duties of the office; and

(2) on the request of the commissioners court or the governing body of the municipality, give an account of the member's activities.

(b) The clerk of the county court shall file and maintain the oath of office as part of the records of the commission.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9501.055. BOND. Each member of the commission shall execute a bond in the amount of $1,000 that is:

(1) payable to the county judge for the benefit of the commission; and

(2) conditioned on the faithful performance of the member's official duties.
Sec. 9501.056. PRESIDING OFFICER. (a) The members of the commission shall annually elect one member as presiding officer.

(b) The presiding officer shall:
(1) preside over commission meetings; and
(2) sign each contract, warrant, or other instrument made or issued by the commission.

Sec. 9501.057. COMPENSATION; CERTIFIED REPORT. (a) The commissioners court and the governing body of the municipality by order or resolution shall set the compensation of members of the commission. The amount of compensation for each member may not exceed $50 for each day that the member attends an official meeting of the commission. The total amount of compensation for each member each month may not exceed $300.

(b) Each member shall submit to the county auditor for each pay period a certified report that describes in detail each time the member attended an official meeting of the commission. The report must be submitted on a date prescribed by the commissioners court and the governing body of the municipality.

Sec. 9501.058. REMOVAL FROM OFFICE. The commissioners court and the governing body of the municipality, by a majority vote in a joint session, may remove a member of the commission from office only for malfeasance.

Sec. 9501.059. TREASURER. The county treasurer of Matagorda County shall serve as treasurer of the commission.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Sec. 9501.060. AUDITOR. The county auditor for Matagorda County is the auditor for the commission.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9501.061. EMPLOYMENT OF ATTORNEY. The commission may employ an attorney for legal services required by the commission.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

### SUBCHAPTER C. POWERS AND DUTIES

Sec. 9501.101. COMMISSION POWERS. The commission may exercise the authority granted to a county or municipality under Section 571.002, 571.003, 571.004, or 571.005 or Section 571.011(a) or (b), Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.77(25), eff. April 1, 2009.

Sec. 9501.1015. RECREATIONAL FACILITIES. The commission may establish, construct, and maintain recreational facilities for public use adjacent to the seawall in Matagorda County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 629 (S.B. 801), Sec. 1, eff. June 17, 2011.

Sec. 9501.102. AUTHORITY TO CONTRACT. The commission may enter into a contract relating to the performance of any function described by Section 571.002, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.77(26),
Sec. 9501.103.  PURCHASING AND CONTRACTING.  The commission, in the performance of functions under this chapter, has the same powers granted to a county under Subchapter C, Chapter 262, and Chapter 271, Local Government Code, and is subject to the same requirements imposed on a county under those provisions.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9501.104.  ANNUAL REPORT REQUIRED.  The commission shall annually submit a report to the commissioners court and the governing body of the municipality.  The report must:

(1)  describe the commission's financial condition and operations during the preceding year;

(2)  propose a budget for the following year;  and

(3)  describe generally the work proposed for the following year.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9501.105.  CONDEMNATION PROCEEDINGS.  (a)  A condemnation proceeding brought by the commission must be brought in the name of the commission and under the direction of the commission.

(b)  An appeal from a finding and assessment of damages as provided by Chapter 21, Property Code, does not suspend work of the commission.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER D.  FINANCIAL PROVISIONS

Sec. 9501.151.  AD VALOREM TAX.  (a)  The commission may impose an ad valorem tax on real property within the commission's jurisdiction.

(b)  The commission shall determine the tax rate, which may not exceed 10 cents for each $100 valuation of property.

(c) Revenue from the tax may be used only to pay for functions
of the commission.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9501.152. ASSESSMENT AND COLLECTION OF TAXES. The county tax assessor and collector shall assess and collect taxes imposed by the commission in the manner provided by law for the assessment and collection of county taxes.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 9501.153. DISBURSEMENT OF FUNDS. The commission may disburse funds set aside by the commissioners court and the governing body of the municipality for the performance of the commission's functions.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBTITLE L. MUNICIPAL WATER DISTRICTS

CHAPTER 9601. RIVERBEND WATER RESOURCES DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 1574, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 9601.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Bond" has the meaning assigned to the term "public security" by Section 1202.001, Government Code.
(3) "Director" means a person appointed to the board.
(4) "District" means the Riverbend Water Resources District.
(5) "Member" means a municipality, county, or other political subdivision that is a member of the district as provided by Section 9601.005.
(6) "Temporary administrator" means a person appointed under Subchapter B-1.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff.
Sec. 9601.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and the improvement of their property and industries and will foster and encourage economic development in this state.

(d) The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect the purposes, powers, rights, and functions stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.
The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 1574, 86th Legislature, Regular Session, for amendments affecting the following section.

Sec. 9601.005. DISTRICT MEMBERS. (a) The district is composed of the following members:

(1) the City of Annona;
(2) the City of Avery;
(3) the City of DeKalb;
(4) the City of Hooks;
(5) the City of Maud;
(6) the City of New Boston;
(7) the City of Texarkana, Texas;
(8) the City of Wake Village; and
(9) the TexAmericas Center.

(b) After receipt of a petition from the governing body of a municipality, county, or other political subdivision that desires to join the district, the board may add a member to the district on terms determined by the board to be in the best interests of the district.

(c) A member's withdrawal from the district or the cessation of existence of a member does not affect the validity of the district or any of the district's powers or duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 49 (S.B. 410), Sec. 4, eff. May 12, 2011.

Sec. 9601.006. DISTRICT TERRITORY. (a) The territory of the district is composed of all the territory contained in:

(1) the cities of Annona, Avery, DeKalb, Hooks, Maud, New Boston, Texarkana, Texas, and Wake Village; and
(2) the TexAmericas Center, the boundaries of which are described by Section 3503.004, including territory that has been or may be added under Section 3503.005.

(b) The territory of the district also includes all of the territory:

(1) of any municipality, county, or other political
subdivision that joins the district as a member; and
   (2) added to the territory of a member by annexation or other means.
   (c) A defect in the description of the boundaries of a member or in any past or future proceedings for the annexation of territory by a member does not affect the validity, powers, or duties of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.
Amended by:
   Acts 2011, 82nd Leg., R.S., Ch. 49 (S.B. 410), Sec. 5, eff. May 12, 2011.

Sec. 9601.007. CONFIRMATION ELECTION NOT REQUIRED. (a) The board is not required to hold an election to confirm the district's creation.
   (b) Sections 49.101-49.105, Water Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.008. MEMBER IMMUNITY. A member has immunity from suit and immunity from liability in any action or proceeding brought by another member arising out of or relating to the changes in law made by the Act enacting this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 586 (H.B. 3847), Sec. 2, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

The following section was amended by the 86th Legislature. Pending publication of the current statutes, see H.B. 1574, 86th Legislature, Regular Session, for amendments affecting the following section.
   Sec. 9601.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by its board.
   (b) The board consists of five directors, appointed as follows:
(1) two directors appointed by the City of Texarkana;
(2) one director appointed by the City of New Boston;
(3) one director appointed by the Red River Redevelopment Authority or its successor; and
(4) one director appointed by the members not named in Subdivisions (1) through (3), including any members added under Section 9601.005(b).

(b-1) The governing body of each member required to appoint a director under Subsection (b)(1), (2), or (3) shall appoint the required number of directors to represent the member on the board. The members not named in Subsections (b)(1) through (3) shall appoint a single director in the manner provided by Subsection (b-2) to represent those members on the board. A vacancy in a board position shall be promptly filled in accordance with the policies, resolutions, and procedures of the applicable member or members.

(b-2) The members not named in Subsections (b)(1) through (3) may each nominate a person qualified to serve as a director. The governing body of each of those members shall cast one vote for a candidate chosen from the list of nominees. The nominee receiving a majority of the votes cast by the governing bodies of those members becomes the director representing those members on the board.

(c) Except as provided by Subsection (d), directors serve staggered terms of four years.

(d) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 586, Sec. 8, eff. June 17, 2011.

(e) The board shall determine the method of staggering the terms of the directors.

(f) A director may not serve more than two consecutive terms. A former director may not serve again before the fourth anniversary of the last day of the director's previous term.

(g) The initial directors shall draw lots to achieve staggered terms, with three of the directors serving three-year terms and two of the directors serving four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.
Amended by:
 Acts 2011, 82nd Leg., R.S., Ch. 586 (H.B. 3847), Sec. 3, eff. June 17, 2011.
 Acts 2011, 82nd Leg., R.S., Ch. 586 (H.B. 3847), Sec. 8, eff.
Sec. 9601.052. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be appointed or to serve as a director, a person must be a resident, qualified voter of the district.
(b) A person is not eligible to be appointed or to serve as a director while the person:
   (1) is serving as an elected official of a political subdivision or other governmental body; or
   (2) is an employee of a member.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 586 (H.B. 3847), Sec. 4, eff. June 17, 2011.

Sec. 9601.053. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a) The district shall act through orders or resolutions adopted by the board.
(b) All directors are entitled to vote.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.054. OFFICERS AND ASSISTANTS. (a) The board shall elect a president, vice president, secretary, and treasurer.
(b) The board shall elect the president and vice president from among the directors.
(c) The president and vice president serve for a one-year term.
(d) The offices of secretary and treasurer:
   (1) may be held by one person; and
   (2) are not required to be held by a director.
(e) The board may appoint one or more assistant officers who are not required to be directors.
(f) A person may not concurrently hold the offices of board president and secretary.
Sec. 9601.055. MEETINGS. The board shall have regular meetings at times specified by board resolution or bylaws and shall have special meetings when called by the board president or by a number of directors that is equal to or greater than the number of directors that is one less than a majority of the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.056. TELEPHONE CONFERENCE CALL MEETINGS. (a) The board may hold an open or closed meeting by telephone conference call only if:

(1) the meeting is a special called meeting;
(2) immediate action is required; and
(3) convening a quorum of the board at one location is difficult or impossible.

(b) A telephone conference call meeting is subject to the notice requirements applicable to other meetings of the board.

(c) Each part of a telephone conference call meeting that is required to be open to the public shall be made audible to the public at the location specified in the notice of the meeting as the location of the meeting.

(d) The location designated in the notice as the location of the meeting shall provide two-way communication during the entire telephone conference call meeting, and the identification of each party to the telephone conference shall be clearly stated prior to speaking.

(e) Section 551.125, Government Code, does not apply to a meeting held under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.057. RECALL. (a) A director appointed under Section 9601.051(b)(1), (2), or (3) may be recalled at any time by a two-
thirds vote of the governing body of the member that appointed the
director.

(b) A director appointed under Section 9601.051(b)(4) may be
recalled by a two-thirds vote of the members that appoint a director
under that section.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff.
Amended by:
  Acts 2011, 82nd Leg., R.S., Ch. 586 (H.B. 3847), Sec. 5, eff.
June 17, 2011.

Sec. 9601.058. COMPENSATION; REIMBURSEMENT. A director is not
entitled to compensation for service on the board but is entitled to
be reimbursed for necessary expenses incurred in the performance of
official duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff.

SUBCHAPTER B-1. TEMPORARY ADMINISTRATOR

Sec. 9601.078. IMMUNITY FROM SUIT. For acts or omissions
undertaken in the course and scope of carrying out the duties
assigned by this subchapter, the temporary administrator is entitled
to the same immunity from suit and liability that applies to a state
district judge acting in a judicial capacity.

Added by Acts 2011, 82nd Leg., R.S., Ch. 586 (H.B. 3847), Sec. 6, eff.
June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9601.101. GENERAL POWERS. Except as provided by this
chapter, the district may exercise the powers applicable to a
district under Chapter 49, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff.
Sec. 9601.102. SPECIFIC POWERS. The district may exercise any power necessary or appropriate to achieve the purposes of this chapter, including the power to:

1. adopt and enforce:
   - a trade name or trademark;
   - bylaws and rules for the conduct of the affairs of the district;
   - any rule that a water control and improvement district may adopt and enforce in accordance with Sections 51.127-51.130, Water Code; and
   - specific rates, charges, fees, or rentals, and reasonable rules and regulations, for providing any district commodity, facility, or service;

2. in the manner and to the extent permitted by this chapter:
   - borrow money for a district purpose;
   - enter into an agreement in connection with the borrowing;
   - issue bonds for money borrowed;
   - provide for and secure the payment of the bonds; and
   - provide for the rights of the holders of the bonds;

3. acquire any and all storage rights and storage capacity in a reservoir or other water source inside or outside the boundaries of the district, and acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons, and in accordance with any contract or contracts that the district may make with the United States, any state of the United States, or any political subdivision of any state of the United States, in reference to those rights;

4. construct, acquire, own, finance, operate, maintain, sell, lease as lessor or lessee, dispose of, or otherwise use any work, plant, or other district facility as defined by Section 49.001, Water Code, inside or outside the boundaries of the district, that the board determines is necessary or useful for the exercise of a district power; and

5. pledge all or part of district revenue to the payment of district obligations under a contract or agreement to the same extent and on the same conditions as the district may pledge revenue to secure district bonds.
Sec. 9601.103. GENERAL POWERS REGARDING WATER. The district has all rights, powers, and privileges necessary or useful to enable it to acquire, provide, supply, deliver, and sell water, whether processed or unprocessed, raw or potable, inside or outside its boundaries to any person for any beneficial purpose.

Sec. 9601.104. AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. (a) A person, entity, public agency, county, municipality, or other political subdivision of this state or another state may enter into a contract or agreement with the district, on terms agreed to by the parties, for:

1. the purchase or sale of water;
2. waste collection, transportation, processing, or disposal; or
3. any purpose relating to the district's powers or functions.

(b) A contract or agreement under this section must comply with Chapter 791, Government Code.

(c) A provision of district services or facilities to a member or an exercise of district power regarding a member's retail services may only be made through a contract between the district and the member under this section.

Sec. 9601.105. CONVEYANCE OF PROPERTY TO DISTRICT. A public agency or a county, municipality, or other political subdivision of this state may lease, sell, or otherwise convey to the district, for
any consideration that the parties agree is adequate, any of its land, improvements, property, plants, lines, or other facilities related to:

(1) the supply, delivery, or sale of water;

(2) waste collection, transportation, processing, or disposal; or

(3) garbage collection or disposal.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.106. ACQUISITION OF EXISTING FACILITIES. If the district acquires existing works, improvements, facilities, plants, equipment, or appliances that are completed, partially created, or under construction, the district may:

(1) assume the contracts and obligations of the previous owner; and

(2) perform the obligations of the previous owner in the same manner and to the same extent that any other purchaser or assignee would be bound.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 9601.151. PROHIBITION ON ASSESSMENTS OR TAXES. (a) The district may not under this chapter or any other law impose an assessment on real property or an ad valorem tax or create a debt payable from an assessment on real property or an ad valorem tax.

(b) Sections 49.106-49.108, Water Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.152. DEPOSITORY. District money shall be deposited in the depository or depositories designated by the board, except that:
(1) bond proceeds and money pledged to pay bonds, to the extent provided in the proceedings authorizing the issuance of bonds, or the trust indenture securing the bonds, may be deposited with another depository or trustee named in the proceedings or trust indenture; and

(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.153. INVESTMENT OF DISTRICT MONEY. (a) Chapter 2256, Government Code, applies to the district and the investment of district funds and funds under district control.

(b) The board may invest bond proceeds in a manner determined by the board or in the manner permitted or required in the proceedings authorizing the issuance of bonds or in the trust indenture securing the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.154. DISTRICT FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The district is not required to pay a tax or assessment on its facilities or any part of its facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS

Sec. 9601.201. AUTHORITY TO ISSUE BONDS. (a) The district by resolution may authorize the issuance of bonds payable from and secured by revenue or any other available source of district money to carry out a power conferred by this chapter. Bonds issued by the district are not a direct obligation of any member.

(b) The bonds must be issued in the manner and under the terms of the proceedings authorizing the issuance of the bonds.

(c) Bonds may be issued by the district without an election.
(d) Sections 49.181-49.186, Water Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.202. FORM OF BONDS. District bonds must be:
  (1) issued in the district's name; and
  (2) signed by the officers of the district in accordance with the proceedings authorizing the issuance of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.203. MATURITY. District bonds must mature not later than 50 years after the date of their issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.204. BONDS SECURED BY REVENUE; ADDITIONAL BONDS. (a) Bonds may be secured by a pledge of all or part of the district's revenue, or by all or part of the payments or rentals under one or more contracts or leases specified by the proceedings authorizing the issuance of the bonds.

  (b) The proceedings authorizing the issuance of bonds secured by a pledge of revenue of all or part of the district's facilities may provide that the district shall first pay the expenses of operating and maintaining all or part of the facilities as the board considers appropriate before paying the principal of and interest on the bonds.

  (c) In the proceedings authorizing the issuance of bonds secured by revenue, contract payments, or lease rentals, the district may reserve the right, under conditions specified by the proceedings, to issue additional bonds that will be on a parity with, superior to, or subordinate to the bonds then being issued.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.
Sec. 9601.205. ADDITIONAL SECURITY. (a) At the discretion of the board, bonds may be additionally secured by a deed of trust or mortgage lien on all or part of the district's physical property, facilities, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee power to:

(1) sell the property for the payment of the bonds;
(2) operate the property; and
(3) take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust lien, if one is given, is:

(1) the absolute owner of the property, facilities, and rights purchased; and
(2) entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.206. DELEGATION OF AUTHORITY. (a) In connection with the issuance of bonds, the board may:

(1) prescribe the maximum principal amount of bonds to be issued and the maximum rate of interest the bonds may bear;
(2) recite the public purpose for which the bonds are to be issued;
(3) delegate to any officer or employee of the district the authority to effect the sale of the bonds; and
(4) determine the period during which the delegation authority under Subdivision (3) may be exercised.

(b) In exercising the authority delegated by the board to an officer or employee, the officer or employee may establish the terms and details related to the issuance and sale of the bonds, including:

(1) the form and designation of the bonds;
(2) the principal amount of the bonds and the amount of the bonds to mature in each year;
(3) the dates, price, interest rates, interest payment
dates, principal payment dates, and redemption features of the bonds; and
(4) the execution of agreements determined by the officer or employee to be necessary in connection with the issuance of the bonds; and
(5) any other details relating to the issuance and sale of the bonds as specified by the board in the proceedings authorizing the issuance of the bonds.

(c) A finding or determination made by an officer or employee acting under the authority delegated to the officer or employee has the same force and effect as a finding or determination made by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.207. TRUST INDENTURE. District bonds authorized by this chapter, including refunding bonds, may be additionally secured by a trust indenture. The trustee may be a bank with trust powers that is located inside or outside the state.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.208. CREDIT AGREEMENT. In connection with the issuance of bonds under this chapter, the board may exercise the authority granted to the governing body of an issuer with regard to the execution and delivery of a credit agreement under Chapter 1371, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.209. CHARGES FOR DISTRICT SERVICES. If bonds payable wholly from revenue are issued, the board shall set and revise the rates, fees, and charges assessed for water sold, waste collection and treatment services provided, and garbage collection services provided by the district. The rates, fees, and charges must be sufficient to:
(1) pay the expense of operating and maintaining the district facilities that generate the revenue from which the bonds may or will be paid;
(2) pay the principal of and interest on the bonds when due; and
(3) maintain the reserve fund and other funds as provided in the proceedings authorizing the issuance of bonds or the trust indenture securing the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.210. STATE PLEDGE REGARDING RIGHTS AND REMEDIES OF BONDHOLDERS. Without depriving this state of its power to regulate and control the rates, fees, and charges assessed for water sold and waste collection and treatment services provided by the district, the state pledges to and agrees with the holders of district bonds that the state will not exercise its power to regulate and control the rates, fees, and charges in any way that would impair the rights or remedies of the holders of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.211. USE OF BOND PROCEEDS. In addition to the permitted use of bond proceeds provided by general law, the district may use proceeds from the sale of bonds:
(1) for the payment of interest on the bonds while the project or facility is being acquired or constructed and for the year after it is acquired or constructed;
(2) for the operation and maintenance of the project or facility during the estimated period of acquisition or construction of the project or facility and for one year after it is acquired or constructed;
(3) for a debt service reserve fund;
(4) for other funds as may be provided in the proceedings authorizing the issuance of bonds or in the trust indenture securing the bonds;
(5) to pay any expense necessarily incurred in
accomplishing the purpose of the district, including any expense of
issuing and selling the bonds; and

(6) to pay any costs incurred under the terms of a credit
agreement.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff.

Sec. 9601.212. ADDITIONAL AUTHORITY TO PROVIDE DEBT SERVICE
RESERVE. (a) The board may provide that in lieu of or in addition
to providing for the funding of a debt service reserve fund with
cash, a line or letter of credit or an insurance policy may be used
for the debt service reserve fund.

(b) Any agreement under which a line or letter of credit or
insurance policy is provided must be submitted to the attorney
general for examination and approval. After approval, the agreement
is incontestable in any court or other forum for any reason and is a
valid and binding obligation of the district in accordance with its
terms for all purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff.

Sec. 9601.213. REFUNDING BONDS. (a) The district may issue
refunding bonds to refund all or part of its outstanding bonds issued
under this chapter, including matured but unpaid interest and
obligations incurred under a credit agreement.

(b) Refunding bonds may be issued in the manner provided by
Chapter 1207, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff.

Sec. 9601.214. REMEDIES AND COVENANTS. The proceedings
authorizing the issuance of any bonds authorized under this chapter,
including refunding bonds, the execution of a trust indenture
securing the bonds, and the execution of a credit agreement, may
provide other remedies and covenants the board considers necessary to
issue the bonds on terms the board determines to be most favorable to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.215. LIMITATION ON RIGHTS OF BONDHOLDERS. The proceedings authorizing the issuance of bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.216. BONDS EXEMPT FROM TAXATION. Payments made by the district in connection with the issuance of bonds, the transfer of any bond, and the income from any bond, including profits made on the sale of any bond, are exempt from taxation in this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

Sec. 9601.217. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on obligations incurred by the district in connection with the issuance of bonds that are payable wholly or partly from revenue, a court may, on petition of the holders of at least 25 percent of the district's outstanding revenue bonds, or the party to a credit agreement, appoint a receiver for the district.

(b) The receiver may collect and receive all district revenue, employ and discharge district agents and employees, take charge of money on hand, and manage the district's proprietary affairs without the consent of or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water, the collection or treatment of waste, or the provision of garbage collection or disposal services, or to renew contracts
with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the holders of the bonds or the party to a credit agreement.

Added by Acts 2009, 81st Leg., R.S., Ch. 523 (S.B. 1223), Sec. 1, eff. June 19, 2009.

SUBTITLE M. WATER POWER CONTROL DISTRICTS

CHAPTER 9701. RED BLUFF WATER POWER CONTROL DISTRICT: TRANSFER OF FUNDS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9701.001. DEFINITIONS. In this chapter:

(1) "Member district" means a district listed as a member of the Red Bluff District in Section 9701.003.

(2) "Principal amount" means the amount of $13.8 million, representing the amount received by this state by order of the United States Supreme Court in the case of Texas v. New Mexico (494 U.S. 111 (1990)) and deposited to the credit of the Pecos River compact account established by Section 1, Chapter 3, Acts of the 71st Legislature, 5th Called Session, 1990.

(3) "Red Bluff District" means the Red Bluff Water Power Control District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.04, eff. April 1, 2013.

Sec. 9701.002. NATURE OF DISTRICT. The Red Bluff District is a water power control district created under Chapter 76, General Laws, Acts of the 43rd Legislature, Regular Session, 1933 (Article 7807d, Vernon's Texas Civil Statutes).

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.04, eff. April 1, 2013.

Sec. 9701.003. MEMBER DISTRICTS. The Red Bluff District is composed of the following member districts:

(1) Loving County Water Improvement District No. 1;
(2) Reeves County Water Improvement District No. 2;
(3) Ward County Irrigation District No. 3;
(4) Ward County Irrigation District No. 1;
(5) Ward County Water Improvement District No. 2;
(6) Pecos County Water Improvement District No. 2; and
(7) Pecos County Water Improvement District No. 3.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.04, eff. April 1, 2013.

SUBCHAPTER B. GENERAL FINANCIAL PROVISIONS

Sec. 9701.151. USE OF MONEY. (a) The money received by the Red Bluff District under Chapter 4, Acts of the 72nd Legislature, 1st Called Session, 1991, and any interest earned on the money, may be used by the Red Bluff District or a member district only for agricultural or irrigation projects, including an associated water quality improvement project that affects surface water irrigators in Loving, Pecos, Reeves, or Ward County.

(b) A project authorized under Subsection (a) may include:
(1) the operation of the Red Bluff District or a member district; and
(2) the maintenance of a water supply reservoir, associated downstream diversion facility, or internal distribution system of the Red Bluff District or a member district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.04, eff. April 1, 2013.

Sec. 9701.152. ALLOCATION OF EARNED INTEREST. The Red Bluff District shall annually distribute interest earned on the principal amount as follows:
(1) one-third to the Red Bluff District; and
(2) two-thirds to the member districts, to be allocated among the member districts in the same percentages as each member district's pro rata share of water under the master contract between the Red Bluff District and the member districts dated March 8, 1934.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.04, eff. April 1, 2013.
Sec. 9701.153. INVESTMENT AND EXPENDITURE OF PRINCIPAL. (a) The Red Bluff District shall invest the principal amount in accordance with Chapter 2256, Government Code.

(b) The Red Bluff District shall comply with Chapter 2257, Government Code, to the extent applicable.

(c) The Red Bluff District may not spend any portion of the principal amount unless the expenditure is approved by an affirmative vote of:

(1) the board of directors of the Red Bluff District; and
(2) the boards of directors of at least five member districts.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.04, eff. April 1, 2013.

Sec. 9701.154. ANNUAL ACCOUNTING. The Red Bluff District shall provide to each member district and the Texas Water Development Board an annual accounting of the Red Bluff District's administration of money under this chapter and of the amount of interest earned.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.04, eff. April 1, 2013.

SUBTITLE X. DISTRICTS WITH COMBINED POWERS
CHAPTER 11001. ROAD DISTRICT AUTHORITY OF BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

Sec. 11001.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Bastrop County Water Control and Improvement District No. 2.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 11001.002. ROAD DISTRICT POWERS AND DUTIES. (a) The district has all of the rights, powers, privileges, functions, responsibilities, and duties that general law grants a road district
created under Section 52, Article III, Texas Constitution.

(b) The board, within the district's boundaries, may exercise the powers that the commissioners court of a county may exercise under Chapter 257, Transportation Code, to the extent that chapter can be applied.

(c) Repealed by Acts 2005, 79th Leg., Ch. 729, Sec. 2.02, eff. April 1, 2007.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:
   Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 2.02, eff. April 1, 2007.

Sec. 11001.003. MASTER PLAN APPROVAL AND ADOPTION. (a) The district shall adopt a master plan for all road improvements.

(b) The district shall submit the master plan to the governing bodies of the City of Bastrop and Bastrop County before the plan is adopted.

(c) The district may not adopt the master plan until the plan is approved by the governing body of:

   (1) the City of Bastrop, for improvements to be made in the city's jurisdiction; and

   (2) Bastrop County, for improvements to be made in the county's jurisdiction.

(d) Not later than the 61st day after the date the applicable governing body receives the master plan, the governing body shall review the plan and present the district with any proposed revisions necessary to obtain the governing body's approval of the plan.

(e) The district shall review proposed plan revisions at a public hearing held for that purpose.

(f) The district must adopt the master plan at a public hearing.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 11001.004. MASTER PLAN CONTENT. The master plan must include:

   (1) a map of the district boundaries that shows:

      (A) the proposed improvements; and
(B) how the proposed improvements would connect to other entities' road and drainage systems; and

(2) a written plan that contains:

(A) general objectives for the proposed improvements;

(B) the sequence of the improvements;

(C) the estimated date of completion of each phase of the proposed improvements;

(D) the estimated cost of each phase of the proposed improvements;

(E) an analysis of the district's projected revenues compared with the projected costs; and

(F) a proposed timetable for completion of the proposed improvements.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 11001.005. MASTER PLAN IMPLEMENTATION. The district shall make all road improvements in accordance with the master plan.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 11001.006. MASTER PLAN ANNUAL HEARING. The district shall conduct an annual public hearing on revisions to the master plan to inform the public and provide opportunity for public comment.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 11001.007. MONTHLY CHARGES. (a) The board by resolution may impose a monthly charge in an amount not to exceed $21 for each developed or undeveloped lot, tract, or reserve in the district.

(a-1) The board may not increase the monthly charge for a developed or undeveloped lot, tract, or reserve in the district by more than $3 in any calendar year. The board may grant an exemption to an increase in the monthly charge to the owner of a lot, tract, or reserve in the district who:

(1) is 65 years of age or older and who uses the lot, tract, or reserve as a residence; or

(2) has been determined to have a disability by and has
written documentation of the disability from the United States Social Security Administration or the United States Department of Veterans Affairs.

(b) Money received from the monthly charge may be used only for:

(1) constructing, maintaining, or repairing public streets or roadways in the district; or

(2) purchasing equipment necessary to maintain or repair public streets or roadways in the district.

(c) Of the money received under Subsection (a) each fiscal year:

(1) not more than 10 percent may be used for administrative purposes; and

(2) not less than 15 percent shall be used for road maintenance.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 790 (S.B. 1204), Sec. 1, eff. June 19, 2009.
Acts 2017, 85th Leg., R.S., Ch. 449 (S.B. 749), Sec. 1, eff. September 1, 2017.

Sec. 11001.008. CITY OR COUNTY APPROVAL OF PLANS AND SPECIFICATIONS. (a) The district shall submit for the approval of the governing body of the City of Bastrop or Bastrop County, as appropriate, all road plans and specifications before the district begins construction.

(b) The plans and specifications are considered approved if the governing body to which they are presented does not by resolution disapprove of them before the 22nd day after the date on which they are presented.

(c) In reviewing plans or specifications for construction in a subdivision, the City of Bastrop or Bastrop County shall generally apply, as a minimum standard, the standard the city or county applied to review similar plans or specifications at the time the subdivision was created. If the plans or specifications exceed that minimum standard, the standard for approval shall be based on good engineering practices related to subjects such as vehicle and
pedestrian safety, soil and terrain variables, watershed impacts, projected traffic use, and future maintenance requirements.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 11001.009. INSPECTIONS, SAMPLING, AND TESTING. (a) The City of Bastrop or Bastrop County may:
(1) perform reasonable inspections, gather and test samples, and perform other testing; or
(2) require the district or the contractor for the work to perform reasonable inspections, gather and test samples, and perform other testing.

(b) The district may include the cost of inspecting, sampling, and testing in the bid specifications. If the district includes the costs in the bid specifications, the costs are allowable charges for spending road money.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 11001.010. CONVEYANCE OF IMPROVEMENTS. (a) The district shall convey the completed improvements to the City of Bastrop or Bastrop County as appropriate.

(b) If the improvements comply with the minimum standards the city or county, as applicable, prescribes for improvements in its jurisdiction, the city or county shall accept the improvements.

(c) If the jurisdictions of the city and the county overlap, the more stringent standards apply.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 11001.011. ADDITIONAL POWERS. The district may:
(1) select professional and consultant personnel for engineering, legal, and other necessary support services;
(2) select and approve work contractors and subcontractors;
(3) supervise road and drainage work in the district;
(4) contract to carry out the improvements provided by the master plan, including contracting with a professional or contractor;
(5) supervise the cost-effective use of district money
allocated for permanent improvements; and
(6) approve expenditures for necessary maintenance.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 11001.012. REPORT TO CERTAIN LEGISLATORS. The district annually shall present a report concerning road district activities to each state representative and each state senator who represents the area in the district's jurisdiction. The report must include:
(1) information regarding the progress of work during the preceding year;
(2) the amount of money spent during the preceding year;
(3) any revisions to the master plan; and
(4) a complete financial statement that lists all funds of the district and fund balances, expenditures, and interest earnings.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 11001.013. TERMINATION OF ROAD DISTRICT AUTHORITY; DISTRIBUTION OF DISTRICT MONEY. (a) The road district authority under this chapter terminates when:
(1) all road improvements under the master plan are completed; and
(2) the City of Bastrop or Bastrop County, as appropriate, has accepted all road improvements in the district.
(b) On termination of the district's road district authority, the district shall give any money related to the district's road district authority that remains in the district's possession or control to the City of Bastrop or Bastrop County, as appropriate, for road maintenance in the district. The district shall send the money to the City of Bastrop or Bastrop County in the proportion that the number of miles of road improvements by the district accepted by the city or county bears to the total number of miles of road improvements by the district accepted by both the city and the county.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.
CHAPTER 11002. LAJITAS UTILITY DISTRICT NO. 1 OF BREWSTER COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 11002.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Lajitas Utility District No. 1 of Brewster County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.002. NATURE OF DISTRICT. The district is a utility district with combined powers created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution;

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or
maintenance of macadamized, graveled, or paved roads, or
improvements, including storm drainage, in aid of those roads; and
(3) Section 52-a, Article III, Texas Constitution, that
relate to the development and diversification of the economy of this
state and other purposes of that section.
(d) The creation of the district is in the public interest and
essential to:
(1) further the public purposes of developing and
diversifying the economy of the state;
(2) eliminate unemployment and underemployment; and
(3) develop or expand transportation and commerce.
(e) The district will:
(1) promote the health, safety, and general welfare of
residents, employers, potential employees, employees, visitors, and
consumers in the district, and of the public;
(2) provide needed funding for the district to preserve,
maintain, and enhance the economic health and vitality of the
district territory as a community and business center; and
(3) promote the health, safety, welfare, and enjoyment of
the public by providing pedestrian ways and by landscaping and
developing certain areas in the district, which are necessary for the
restoration, preservation, and enhancement of scenic beauty.
(f) Pedestrian ways along or across a street, whether at grade
or above or below the surface, and street lighting, street
landscaping, parking, and street art objects are parts of and
necessary components of a street and are considered to be a street or
road improvement.
(g) The district is not an agent or instrumentality of a
private interest even though the district will benefit private
interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1,
eff. June 17, 2011.

Sec. 11002.005. INITIAL DISTRICT TERRITORY. (a) The district
is initially composed of the territory described by Section 2 of the
Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of
the Act creating this chapter form a closure. A mistake made in the
field notes or in copying the field notes in the legislative process does not affect the district's:
   (1) organization, existence, or validity;
   (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
   (3) right to impose a tax; or
   (4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 11002.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
   (b) Except as provided by Section 11002.052, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
   (1) Brent Ratliff;
   (2) George Kutch;
   (3) John Nolan;
   (4) Renee Lorenz; and
   (5) H. C. Ross.
   (b) If a temporary director fails to qualify for office, the temporary directors who have qualified shall appoint a person to fill the vacancy.
   (c) Temporary directors serve until the earlier of:
      (1) the date permanent directors are elected under Section 11002.003; or
      (2) the fourth anniversary of the effective date of the Act creating this chapter.
   (d) If permanent directors have not been elected under Section 11002.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as
provided by Subsection (e) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 11002.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(e) If Subsection (d) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 11002.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.103. IMPROVEMENT PROJECTS AND SERVICES. Except as provided by Section 11002.113, the district may provide improvement projects and services in the same manner as a municipal management district under Section 375.112, Local Government Code.
Sec. 11002.104. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

(c) The district, at the district's expense, shall repair and maintain any internal streets and roads in the district. Brewster County has no obligation to repair or maintain the internal streets and roads in the district, even on dissolution of the district.

Sec. 11002.105. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 11002.104 unless:

(1) each county that will operate and maintain the road has approved the plans and specifications of the road project, if a county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.
Sec. 11002.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.107. LIMITATION ON USE OF EMINENT DOMAIN. (a) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 11002.104; or
(2) a recreational facility as defined by Section 49.462, Water Code.

(b) If the district's exercise of its eminent domain power requires relocating, raising, lowering, rerouting, or altering the construction of any electric transmission or electric distribution line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, or altering the construction of any electric transmission or electric distribution line to provide a comparable replacement without enhancing the facility, after deducting from the cost the net salvage value derived from the old facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.108. ELECTRIC POWER FACILITIES. The district may construct or acquire electric power generating, transmission, and distribution facilities and improvements in aid of these facilities.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.109. AIRPORT. The district may construct, acquire, improve, maintain, and operate an airport and improvements in aid of the airport.
Sec. 11002.110. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a corporation created under the Development Corporation Act (Subtitle C1, Title 12, Local Government Code).

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.111. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 11002.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;
(2) include the metes and bounds of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in
the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 11002.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.112. GROUNDWATER REGULATION. Section 36.121, Water Code, does not apply to a groundwater well owned or used by the district within the boundaries of the Brewster County Groundwater Conservation District. The rules of the Brewster County Groundwater Conservation District govern a groundwater well owned or used by the district within the Brewster County Groundwater Conservation District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.113. RETAIL ELECTRIC UTILITY SERVICES PROHIBITED. The district may not provide retail electric utility services, including transmission and distribution services, to residential, retail, commercial, industrial, or other customers inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

**SUBCHAPTER D. TRANSFER OF PUBLIC IMPROVEMENTS**

Sec. 11002.151. DEFINITION. In this subchapter, "receiving entity" means the entity that holds a certificate of convenience and necessity issued by the Public Utility Commission of Texas for the territory included in the district.
Sec. 11002.152. TRANSFER OF CERTAIN IMPROVEMENTS REQUIRED. Subject to Section 11002.155, the district shall transfer improvements described by Section 11002.108 in accordance with this section on the later of:
(1) the date that the district acquires or completes the improvement; or
(2) the date the receiving entity approves the transfer.

Sec. 11002.153. CONSTRUCTION STANDARDS. A public improvement transferred under this subchapter must be constructed in compliance with:
(1) the requirements and specifications established by the receiving entity on or before the date that construction of the improvement begins; and
(2) any tariffs for the electric utility or cooperative that is the receiving entity.

Sec. 11002.154. PARTIAL TRANSFER IN STAGES. The district may transfer part of an improvement under this subchapter if the district completes construction of the improvement in stages.

Sec. 11002.155. TRANSFER WITHOUT DEBT REQUIRED. The district shall convey all improvements that it is required to transfer under this subchapter without debt or other encumbrance.
Sec. 11002.156. OWNERSHIP AND RESPONSIBILITY AFTER TRANSFER. (a) After a transfer under this subchapter, the receiving entity owns the improvement and has sole jurisdiction and control over the improvement. On acceptance of the transfer, the receiving entity is responsible for all maintenance of the improvement, and the district is not responsible for the improvement or its maintenance.

(b) This section does not affect any authority of the receiving entity to alter, relocate, close, or discontinue maintenance of an improvement.

Sec. 11002.157. EFFECT OF CONVEYANCE ON DISTRICT DEBT. Conveyance of a public improvement to a receiving entity under this subchapter does not affect:

(1) the sole responsibility of the district to pay in full the principal of and interest and any premium on any outstanding district bonds or other debt; or

(2) the district's responsibility to perform the obligations provided by an order or resolution authorizing bonds or other debt.

Sec. 11002.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 11002.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from
ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 11002.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.204. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a
result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of a sales and use tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

(d) Chapter 321, Tax Code, applies to the imposition, computation, administration, enforcement, and collection of the sales and use tax imposed by this section except to the extent it is inconsistent with this chapter.

(e) The district may not impose a sales and use tax at a rate that would cause the rate of the total sales and use taxes collected by all municipalities and other political subdivisions at a location in the district to exceed the maximum rate allowed by law. If a political subdivision's increase to a sales and use tax rate causes the total sales and use tax rate imposed at a location in the district to exceed the maximum rate allowed by law, the district's sales and use tax rate is automatically reduced to bring the total rate imposed at that location down to a rate allowed by law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

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Sec. 11002.205. ASSESSMENTS; MUNICIPAL MANAGEMENT DISTRICT POWERS. Except as provided by Section 11002.206, the district may levy and collect special assessments in the same manner and for the same purposes as a municipal management district as provided in Subchapter F, Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.
Sec. 11002.206. ELECTRIC UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of an electric cooperative as defined by Section 161.002, Utilities Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 11002.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, sales and use taxes, other district money, or any combination of those sources to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.252. TAXES FOR BONDS. (a) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of an ad valorem tax, without limit as to rate or amount, as required by Section 54.601, Water Code.

(b) The board shall annually impose the tax while all or part of the bonds are outstanding. Sections 54.601 and 54.602, Water Code, govern the amount and rate of the tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.
 CHAPTER 11003. MATADOR WATER DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 11003.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "City" means the city of Matador.
(3) "City council" means the city council of the city.
(4) "Director" means a member of the board appointed by the city council.
(5) "District" means the Matador Water District.

Sec. 11003.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Sec. 11003.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All territory and taxable property in the city will benefit from the works and improvements of the district.

(b) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

SUBCHAPTER B. DISTRICT TERRITORY; ANNEXATION

Sec. 11003.051. DISTRICT TERRITORY. (a) The boundaries of the
district are coextensive with the boundaries of the city as those boundaries existed on January 1, 1975, and as the district territory may have been modified under:

(1) this subchapter or its predecessor statutes, Sections 6 and 7, Chapter 36, Acts of the 64th Legislature, Regular Session, 1975;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) An invalidity in the fixing of the boundaries of the city as they existed on January 1, 1975, does not affect the boundaries of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.052. ANNEXATION OF CITY TERRITORY. (a) Territory annexed to the city after January 1, 1975, may be annexed to the district as provided by this section.

(b) At any time after final passage of an ordinance or resolution annexing territory to the city, the board may give notice of a hearing on the question of annexing that territory to the district. The notice is sufficient if it:

(1) states the date and place of the hearing; and

(2) describes the area proposed to be annexed or refers to the annexation ordinance or resolution of the city.

(c) At least 10 days before the date set for the hearing, the notice must be published one time in a newspaper of general circulation in the city.

(d) If, as a result of the hearing, the board finds that the territory will benefit from the present or contemplated improvements, works, or facilities of the district, the board shall adopt a resolution annexing the territory to the district.

(e) After the territory is annexed to the district, the board may hold an election in the entire district to determine whether:

(1) the entire district will assume any tax-supported bonds then outstanding and those bonds previously voted but not yet sold; and

(2) an ad valorem tax for the payment of the bonds will be imposed on all taxable property in the district.
An election held under Subsection (e) must be held and notice must be given in the same manner as an election held under Section 11003.254 for the issuance of bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.053. ANNEXATION OF OTHER TERRITORY. (a) Territory other than territory subject to Section 11003.052 may be annexed to the district as provided by this section.

(b) The board may annex territory or a municipality under this section only if a petition requesting annexation is signed by 50 registered voters of the territory or municipality to be annexed, or a majority of the registered voters of that territory or municipality, whichever is fewer, and is filed with the board. The petition must describe the territory to be annexed by metes and bounds, or otherwise, except that if the territory is the same as that contained in the boundaries of a municipality, the petition is sufficient if it states that the territory to be annexed is the territory contained in the municipal boundaries.

(c) If the board determines that the petition complies with Subsection (b), that the annexation would be in the best interest of the territory or municipality and the district, and that the district will be able to supply water to the territory or municipality, the board shall:

(1) adopt a resolution stating the conditions, if any, under which the territory or municipality may be annexed to the district; and

(2) set a time and place to hold a hearing on the question of whether the territory or municipality to be annexed will benefit from:

(A) the improvements, works, or facilities owned or operated or contemplated to be owned or operated by the district; or

(B) the other functions of the district.

(d) At least 10 days before the date of the hearing, notice of the adoption of the resolution stating the time and place of the hearing must be published one time in a newspaper of general circulation in the territory or municipality proposed to be annexed. The notice must describe the territory in the same manner in which
Subsection (b) requires the petition to describe the territory.

(e) Any interested person may appear at the hearing and offer evidence for or against the annexation.

(f) The hearing may proceed in the order and under the rules prescribed by the board and may be recessed from time to time.

(g) If, at the conclusion of the hearing, the board finds that the property in the territory or municipality will benefit from the present or contemplated improvements, works, or facilities of the district, the board shall adopt a resolution making a finding of the benefit and calling an election in the territory or municipality to be annexed.

(h) The resolution must state:
   (1) the date of the election;
   (2) each place where the election will be held; and
   (3) the proposition to be voted on.

(i) At least 10 days before the date set for the election, notice of the election must be given by publishing a substantial copy of the resolution calling the election one time in a newspaper of general circulation in the territory proposed to be annexed.

(j) In calling an election on the proposition for annexation of the territory or municipality, the board may include, as part of the same proposition or as a separate proposition, a proposition for:
   (1) the territory to assume its part of the tax-supported bonds of the district then outstanding and those bonds previously voted but not yet sold; and
   (2) an ad valorem tax to be imposed on taxable property in the territory along with the tax in the rest of the district for the payment of the bonds.

(k) If a majority of the votes cast at the election are in favor of annexation, the board by resolution shall annex the territory to the district.

(l) An annexation under this section is incontestable except in the manner and within the time for contesting elections under the Election Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

SUBCHAPTER C. BOARD OF DIRECTORS
Sec. 11003.101. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors appointed by the city council. The directors occupy numbered places on the board.

(b) Directors serve staggered two-year terms, with the terms of the directors occupying Places 1, 2, and 3 expiring at noon on March 1 of each even-numbered year and the terms of the directors occupying Places 4 and 5 expiring at noon on March 1 of each odd-numbered year.

(c) The mayor of the city serves, ex officio, as an honorary member of the board. The mayor may attend all meetings and participate in all proceedings of the board except that the mayor may not vote.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.102. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be appointed or to serve as a director, a person must be a resident, qualified voter of the district.

(b) A director is eligible for reappointment.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.103. VACANCIES. Any vacancy occurring on the board shall be filled for the unexpired term by appointment by the city council.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.104. REMOVAL FROM OFFICE. After reasonable notice and a public hearing, the board may remove a director from office for misfeasance, malfeasance, or wilful neglect of duty. Reasonable notice and a public hearing are not required if the notice and hearing are expressly waived in writing.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.
Sec. 11003.105. BOARD RESOLUTIONS; QUORUM; VOTING REQUIREMENTS. 
(a) The district shall act through resolutions adopted by the board.
(b) Three directors constitute a quorum.
(c) Each director has a vote.
(d) The affirmative vote of at least three directors is necessary to adopt any resolution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.106. OFFICERS AND ASSISTANTS. (a) The board shall elect a president, vice president, secretary, and treasurer at the first meeting of the board in March of each year or at any time necessary to fill a vacancy.
(b) The board shall elect the president and vice president from among the directors. The president shall serve for a term of one year.
(c) The offices of secretary and treasurer:
\(1\) may be held by one person; and
\(2\) are not required to be held by a director.
(d) The board may appoint as assistant board secretary one or more persons who are not directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.107. DUTIES OF OFFICERS AND ASSISTANTS. (a) The board president shall preside at board meetings and perform other duties prescribed by the board.
(b) The board secretary is the official custodian of the minutes, books, records, and seal of the board and shall perform other duties and functions prescribed by the board. An assistant board secretary may perform any duty or function of the board secretary.
(c) The board treasurer shall perform duties and functions prescribed by the board.
Sec. 11003.108. MEETINGS. The board shall have regular meetings at times specified by board resolution and shall have special meetings when called by the board president or by any three directors.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.109. PERSONAL LIABILITY OF DIRECTORS. A director is not personally liable for any bond issued or contract executed by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 11003.151. DISTRICT POWERS. The district may exercise any power necessary or appropriate to achieve the purposes of this chapter, including the power to:

(1) sue and be sued, and plead and be impleaded, in its own name;

(2) adopt an official seal;

(3) adopt and enforce bylaws and rules for the conduct of its affairs;

(4) acquire, hold, use, and dispose of its receipts and money from any source;

(5) select a depository or depositories;

(6) acquire, own, rent, lease, accept, hold, or dispose of property, or an interest in property, including a right or easement, by purchase, exchange, gift, assignment, condemnation, sale, lease, or otherwise, in performing district duties or exercising district powers under this chapter;

(7) hold, manage, operate, or improve property;

(8) lease or rent any land, building, structure, or facility from or to any person;
(9) sell, assign, lease, encumber, mortgage, or otherwise dispose of property, or an interest in property, and release or relinquish a right, title, claim, lien, interest, easement, or demand, regardless of the manner in which acquired, and conduct a transaction authorized by this subdivision by public or private sale, with or without public bidding, notwithstanding any other law;

(10) issue bonds, provide for and secure the payment of the bonds, and provide for the rights of the holders of the bonds in the manner and to the extent authorized by this chapter;

(11) request and accept an appropriation, grant, allocation, subsidy, guaranty, aid, service, material, or gift from any source, including the federal government, the state, a public agency, or a political subdivision;

(12) operate and maintain an office;

(13) appoint and determine the duties, tenure, qualifications, and compensation of officers, employees, agents, professional advisors, and counselors considered necessary or advisable by the board, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts; and

(14) exercise any power granted by Chapter 30, Water Code, to districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.152. PERMITS. (a) The district may obtain through appropriate proceedings an appropriation permit or a diversion permit from the Texas Commission on Environmental Quality.

(b) The district may acquire a water appropriation permit from a permit owner by contract or otherwise.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.153. GENERAL AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A public agency or political subdivision of this state, including the city, may enter
into a contract or agreement with the district, on terms agreed to by the parties, for any purpose relating to the district's powers or functions. Approval, notice, consent, or an election is not required in connection with the contract or agreement.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.154. CONTRACTS TO SUPPLY WATER. (a) The district may contract with municipalities and others, including the city, to supply water to them. The district may sell water inside or outside the boundaries of the district.

(b) The district may contract with a public agency or political subdivision for the rental or leasing of or for the operation of the water production, water supply, water filtration or purification, and water supply facilities of the entity on the consideration agreed to by the district and the entity.

(c) A contract under Subsection (a) or (b) may:

(1) be on terms and for the time agreed to by the parties; and

(2) provide that it will continue in effect until bonds specified in it and refunding bonds issued in lieu of the bonds are paid.

(d) The district may contract with the city for the operation of the district's water facilities by the city. An election is not required in connection with the contract.

(e) A public agency or political subdivision of this state, including the city, may enter into a contract or agreement with the district for a water supply as provided by Section 11003.153.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.155. SOURCES FOR WATER; ACQUISITION OF LAND; STORAGE CAPACITY. (a) The district may acquire or construct, inside or outside the district, a reservoir, a well, or any work, plant, transmission line, or other facility necessary or useful to drill for, divert, impound, store, pump, treat, or transport to the city and others water for municipal, domestic, industrial, mining, oil
flooding, or any other useful purpose.

(b) The district may develop or otherwise acquire underground sources of water.

(c) The district may acquire land, or an interest in land, inside or outside the district, for any work, plant, or other facility necessary or useful to drill for, divert, impound, store, pump, treat, or transport to the city and others water for municipal, domestic, industrial, mining, oil flooding, or any other useful purpose.

(d) The district may lease, purchase, or otherwise acquire rights in and to storage and storage capacity in any reservoir constructed or to be constructed by any person or from the United States.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.156. CONSTRUCTION CONTRACTS. (a) The district may award a construction contract that requires an expenditure of more than $5,000 only after publication of notice to bidders once each week for two weeks in a newspaper of general circulation in the district.

(b) The notice is sufficient if it states:

(1) the time and place for opening the bids;

(2) the general nature of the work to be done or the material, equipment, or supplies to be purchased; and

(3) where the terms of bidding and copies of the plans and specifications may be obtained.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.157. CONVEYANCE OF LAND TO DISTRICT. A public agency or political subdivision of this state, including the city, may lease, sell, or otherwise convey its land or an interest in its land to the district for consideration that the parties agree is adequate. Approval, notice, consent, or an election is not required in connection with the conveyance.
Sec. 11003.158. SURPLUS PROPERTY. Subject to the terms of a resolution or deed of trust authorizing or securing bonds issued by the district, the district may sell, lease, rent, trade, or otherwise dispose of property that the board considers is not needed for a district purpose.

Sec. 11003.159. EMINENT DOMAIN. (a) To carry out a power conferred by this chapter, the district may exercise the power of eminent domain to acquire the fee simple title to land, or any other interest in land, and other property and easements, inside or outside the district, including land or an interest in land needed for:

(1) a well; or
(2) a reservoir, dam, or flood easement above the probable high-water line around a reservoir.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The district is a municipal corporation for the purposes of Chapter 21, Property Code.

(d) The board shall determine the amount and the type of interest in land, other property, or easements to be acquired under this section.

Sec. 11003.160. COST OF RELOCATING OR ALTERING PROPERTY; RIGHTS-OF-WAY AND EASEMENTS. (a) If the district's exercise of its eminent domain, police, or other power requires relocating, raising, lowering, rerouting, or changing the grade of or altering the construction of any railroad, electric transmission, telegraph, or telephone line, conduit, pole, property, or facility or pipeline, the action shall be accomplished at the sole expense of the district.
The term "sole expense" means the actual cost of the lowering, rerouting, or change in grade or alteration of construction to provide a comparable replacement without enhancing the facility, after deducting from the cost the net salvage value derived from the old facility.

(b) The district has all necessary or useful rights-of-way and easements along, over, under, and across all public, state, municipal, and county roads, highways, and places for any of its purposes. The district shall restore a used facility to its previous condition as nearly as possible at the sole expense of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.161. OTHER DISTRICT POWERS. The district has the same power as is conferred by general law on municipal utility districts or on water control and improvement districts, with reference to entering land and making surveys and attending to other business of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 11003.201. IMPOSITION OF MAINTENANCE TAX. (a) The district may impose a tax, not to exceed 25 cents on each $100 valuation of taxable property in the district, for:

(1) maintenance purposes, including money for planning, maintaining, repairing, and operating all necessary plants, works, facilities, improvements, appliances, and equipment of the district;

(2) paying costs of proper services, engineering, and legal fees; and

(3) organization and administrative expenses.

(b) The district may not impose a maintenance tax unless the tax is approved by a majority of the voters voting at an election held for that purpose.

(c) A maintenance tax election may be held at the same time and in conjunction with a bond election.

(d) The procedure for calling, giving notice of, and conducting
a maintenance tax election is the same as the procedure for a bond election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.202. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the district to serve as the depository for the district's money.

(b) District money shall be deposited in the depository designated by the board, except that:

(1) bond proceeds and money pledged to pay bonds, to the extent provided in a resolution or trust indenture authorizing or securing district bonds, may be deposited with another bank or trustee named in the bond resolution or trust indenture; and

(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

(c) To the extent that money in a depository bank or trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of municipal money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.203. INVESTMENT OF DISTRICT MONEY. The board may invest district money in obligations and make time deposits of district money in the manner determined by the board or in the manner permitted or required in a resolution or trust indenture authorizing or securing district bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.204. DISTRICT FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The district is not required to pay a tax or assessment on its facilities or any part of its facilities.
Sec. 11003.251. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds payable from and secured by revenue or ad valorem taxes, or both revenue and ad valorem taxes, of the district to carry out any power conferred by this chapter. The bonds must be authorized by a board resolution.

(b) The bonds must be issued in the manner and under the terms of the resolution authorizing the issuance of the bonds.

Sec. 11003.252. FORM OF BONDS. District bonds must be:

(1) issued in the district's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.

Sec. 11003.253. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Sec. 11003.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may call an election under this section without a petition. The resolution calling the election must specify:

(1) the time and place at which the election will be held;
(2) the purpose for which the bonds will be issued;
(3) the amount of the bonds;
(4) the form of the ballot; and
(5) other matters the board considers necessary or advisable.

(c) Notice of the election must be given by publishing a substantial copy of the resolution calling the election in a newspaper of general circulation in the district. The notice must be published once each week for two consecutive weeks. The first publication must be not later than the 14th day before the date of the election.

(d) The district may issue bonds not payable wholly or partly from ad valorem taxes without an election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.255. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.
(a) District bonds issued may be secured by a pledge of all or part of the district’s revenue, or by all or part of the revenue of one or more contracts previously or subsequently made or other revenue or income specified by board resolution or a trust indenture securing the bonds. The pledge may reserve the right, under conditions specified by the pledge, to issue additional bonds that will be on a parity with or subordinate to the bonds then being issued.

(b) The district may issue bonds secured by both taxes and revenue of the district described by Subsection (a).

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.256. BONDS PAYABLE FROM AD VALOREM TAXES. (a) If bonds are issued payable wholly or partly from ad valorem taxes, the board shall annually impose a tax on the taxable property in the district in an amount sufficient to pay the principal of and interest on the bonds when due.

(b) The district may adopt the rate of a tax imposed under Subsection (a) for any year after giving consideration to the money received from the pledged revenue that may be available for payment
of principal and interest, to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.257. ADDITIONAL SECURITY. (a) District bonds, including refunding bonds, that are not payable wholly from ad valorem taxes may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on physical property of the district and all franchises, easements, water rights, and appropriation permits, leases, and contracts and all rights appurtenant to the property, vesting in the trustee power to:

(1) sell the property for the payment of the debt;
(2) operate the property; and
(3) take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust lien, if one is given:

(1) is the absolute owner of property, facilities, and rights purchased; and
(2) is entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.258. TRUST INDENTURE. (a) District bonds, including refunding bonds, that are not payable wholly from ad valorem taxes may be additionally secured by a trust indenture. The trustee may be a bank with trust powers located inside or outside the state.

(b) A trust indenture, regardless of the existence of a deed of trust or mortgage lien on property, may:

(1) provide for the security of the bonds and the preservation of the trust estate as prescribed by the board;
(2) provide for amendment or modification of the trust indenture;
(3) provide for the issuance of bonds to replace lost or mutilated bonds;
(4) condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and
(5) provide for the investment of district money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.259. CHARGES FOR DISTRICT SERVICES. (a) If district bonds payable wholly from revenue are issued, the board shall set and revise the rates of compensation for water sold and services provided by the district. The rates must be sufficient to:
(1) pay the expense of operating and maintaining district facilities;
(2) pay the principal of and interest on the bonds when due; and
(3) maintain the reserve fund and other funds as provided in the resolution authorizing the bonds.

(b) If bonds payable partly from revenue are issued, the board shall set and revise the rate of compensation for water sold and any other services provided by the district. The rate must be sufficient to ensure compliance with the resolution authorizing the bonds or the trust indenture securing the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.260. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of district bonds for:
(1) the payment of interest expected to accrue during construction not to exceed three years;
(2) a reserve interest and sinking fund; and
(3) other funds as may be provided in the resolution authorizing the bonds or in the trust indenture.

(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purpose of the district, including any expense of issuing and selling the bonds.
Sec. 11003.261. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on district bonds that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the district.

(b) The receiver may collect and receive all district income, except taxes, employ and discharge district agents and employees, take charge of money on hand, except money received from taxes, unless commingled, and manage the proprietary affairs of the district without consent or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or to renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Sec. 11003.262. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding district bonds and interest on those bonds.

(b) Refunding bonds may:

(1) be issued to refund bonds of more than one series;

(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or

(3) be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the
resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest and any required redemption premium on the bonds to be refunded to any redemption date or to their maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

(f) An election is not required to authorize the issuance of refunding bonds.

(g) The district may also issue refunding bonds under any other applicable law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.263. LIMITATION ON RIGHTS OF BONDHOLDERS. The resolution authorizing the bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.264. BONDS EXEMPT FROM TAXATION. A district bond, the transfer of the bond, and the income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

Sec. 11003.265. DETACHMENT OF DISTRICT TERRITORY AFTER ISSUANCE OF BONDS. Territory may not be detached from the district after the issuance of bonds payable from revenue or taxes, or both revenue and taxes.
Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.07, eff. April 1, 2015.

CHAPTER 11004.  GOODWATER MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A.  GENERAL PROVISIONS
Sec. 11004.001.  DEFINITIONS.  In this chapter:
(1)  "Board" means the district's board of directors.
(2)  "Director" means a board member.
(3)  "District" means the Goodwater Municipal Utility District No. 1.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.002.  NATURE OF DISTRICT.  The district is a combined powers district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.003.  CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.  The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.004.  CONSENT OF MUNICIPALITY REQUIRED.  The temporary directors may not hold an election under Section 11004.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1,
Sec. 11004.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution;

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads; and

(3) Section 52-a, Article III, Texas Constitution, to promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.007. RELATION TO OTHER LAW. If any provision of the general law, including a provision incorporated by reference in this chapter, is in conflict or inconsistent with this chapter, this
chapter prevails.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 11004.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 11004.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 11004.003; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 11004.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier
of:

(1) the date permanent directors are elected under Section 11004.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 11004.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements,
including storm drainage, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.105. STREET REPAIR AND MAINTENANCE. (a) After the 10th anniversary of the effective date of the Act creating this chapter, the district, at the district's expense, shall repair and maintain any streets in the district.

(b) A district's repair and maintenance of streets under this section must meet all applicable construction standards and regulations of the City of Georgetown and Williamson County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.106. REGIONAL WASTE DISPOSAL POWERS AND DUTIES. The district has the powers and duties applicable to a district under Chapter 30, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1,
Sec. 11004.107. WASTEWATER TREATMENT FACILITY DESIGN APPROVAL. The district must obtain the approval of the Brazos River Authority for the design of any district wastewater treatment facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.108. WASTEWATER SERVICE PROVIDERS. Only the Brazos River Authority or a provider approved by the Brazos River Authority may provide wastewater service in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.109. COMPLIANCE WITH FEBRUARY 2005 AGREEMENT. The district shall comply with the terms of the "Agreement Regarding Sewer Services Areas and Customers" among the Lower Colorado River Authority, the Brazos River Authority, the City of Georgetown, the City of Liberty Hill, and the Chisholm Trail Special Utility District dated February 1, 2005.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.110. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt; and

(2) the district is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.
(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 11004.003 to confirm the district's creation.

(f) An order dividing the district shall:
   (1) name each new district;
   (2) include the metes and bounds description of the territory of each new district;
   (3) appoint temporary directors for each new district or provide that the owner or owner of a majority of the assessed value of the real property in each new district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition; and
   (4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 11004.003. A new district that is not confirmed is subject to dissolution under general laws.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 11004.004 acts as municipal consent to the creation of any new district created under this section and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.
Sec. 11004.111. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.112. LIBRARIES. The district may exercise the powers of a library district under Chapter 326, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.113. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a development corporation under Chapter 505, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.114. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 11004.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 11004.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 11004.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax, impose a sales or use tax, or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 11004.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS
Sec. 11004.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

Sec. 11004.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1098 (H.B. 4817), Sec. 1, eff. June 19, 2009.

CHAPTER 11005. MUENSTER WATER DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 11005.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "City" means the city of Muenster.
(3) "City council" means the city council of the city.
(4) "Director" means a member of the board appointed by the city council.
(5) "District" means the Muenster Water District.
Sec. 11005.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Sec. 11005.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All territory and taxable property in the city will benefit from the works and improvements of the district.

(b) The accomplishment of the purposes stated in this chapter will benefit the people of this state and improve their property and industries.

(c) The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

Sec. 11005.051. DISTRICT TERRITORY. (a) The boundaries of the district are coextensive with the boundaries of the city as those boundaries existed on January 1, 1973, and as the district territory may have been modified under:

(1) this subchapter or its predecessor statute, Section 7, Chapter 619, Acts of the 63rd Legislature, Regular Session, 1973;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) An invalidity in the fixing of the boundaries of the city as they existed on January 1, 1973, does not affect the boundaries of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.
Sec. 11005.052. ANNEXATION OF CITY TERRITORY. (a) Territory annexed to the city after January 1, 1973, may be annexed to the district as provided by this section.

(b) At any time after final passage of an ordinance or resolution annexing territory to the city, the board may give notice of a hearing on the question ofannexing that territory to the district. The notice is sufficient if it:

(1) states the date and place of the hearing; and

(2) describes the territory proposed to be annexed or refers to the annexation ordinance or resolution of the city.

(c) At least 10 days before the date set for the hearing, the notice must be published one time in a newspaper of general circulation in the city.

(d) If, as a result of the hearing, the board finds that the territory will benefit from the present or contemplated improvements, works, or facilities of the district, the board shall adopt a resolution annexing the territory to the district.

(e) After the territory is annexed to the district, the board may hold an election in the entire district to determine whether:

(1) the entire district will assume any tax-supported bonds then outstanding and those bonds previously voted but notyet sold; and

(2) an ad valorem tax for the payment of the bonds will be imposed on all taxable property in the district.

(f) An election held under Subsection (e) must be held and notice must be given in the same manner as an election is held and notice is given under Section 11005.254 for the issuance of bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.053. ANNEXATION OF OTHER TERRITORY. (a) Territory other than territory subject to Section 11005.052 may be annexed to the district as provided by this section.

(b) The board may annex territory or a municipality under this section only if a petition requesting annexation is signed by 50 registered voters of the territory or municipality to be annexed, or
a majority of the registered voters of that territory or municipality, whichever is fewer, and is filed with the board. The petition must describe the territory to be annexed by metes and bounds, or otherwise. If the territory is the same as that contained in the boundaries of a municipality, the petition is sufficient if it states that the territory to be annexed is the territory contained in the municipal boundaries.

(c) If the board finds that the petition complies with Subsection (b), that the annexation would be in the best interest of the territory or municipality and the district, and that the district will be able to supply water to the territory or municipality, the board shall:

(1) adopt a resolution stating the conditions, if any, under which the territory or municipality may be annexed to the district; and

(2) set a time and place to hold a hearing on the question of whether the territory or municipality to be annexed will benefit from:

(A) the improvements, works, or facilities owned or operated or contemplated to be owned or operated by the district; or

(B) the other functions of the district.

(d) At least 10 days before the date of the hearing, notice of the adoption of the resolution stating the time and place of the hearing must be published one time in a newspaper of general circulation in the territory or municipality proposed to be annexed. The notice must describe the territory in the same manner in which Subsection (b) requires or permits the petition to describe the territory.

(e) Any interested person may appear at the hearing and offer evidence for or against the annexation.

(f) The hearing may proceed in the order and under the rules prescribed by the board. The hearing may be recessed from time to time.

(g) If, at the conclusion of the hearing, the board finds that the property in the territory or municipality will benefit from the present or contemplated improvements, works, or facilities of the district, the board shall adopt a resolution making a finding of the benefit and calling an election in the territory or municipality to be annexed.

(h) The resolution must state:
(1) the date of the election;
(2) each place where the election will be held; and
(3) the proposition to be voted on.

(i) At least 10 days before the date set for the election, notice of the election must be given by publishing a substantial copy of the resolution calling the election one time in a newspaper of general circulation in the territory proposed to be annexed.

(j) In calling an election on the proposition for annexation of the territory or municipality, the board may include, as part of the same proposition or as a separate proposition, a proposition for:

(1) the territory to assume its part of the tax-supported bonds of the district then outstanding and those bonds previously voted but not yet sold; and

(2) an ad valorem tax to be imposed on taxable property in the territory along with the tax in the rest of the district for the payment of the bonds.

(k) If a majority of the votes cast at the election are in favor of annexation, the board by resolution shall annex the territory to the district.

(l) An annexation under this section is incontestable except in the manner and within the time for contesting elections under the Election Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.054. DETACHMENT OF DISTRICT TERRITORY AFTER ISSUANCE OF BONDS. Territory may not be detached from the district after the issuance of bonds payable from revenue or taxes, or both revenue and taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

**SUBCHAPTER C. BOARD OF DIRECTORS**

Sec. 11005.101. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of five directors appointed by the city council. The directors occupy numbered places on the board.

(b) Directors serve staggered two-year terms, with the terms of
the directors occupying Places 1, 2, and 3 expiring at midnight on March 1 of each odd-numbered year and the terms of the directors occupying Places 4 and 5 expiring at midnight on March 1 of each even-numbered year.

(c) The mayor of the city serves, ex officio, as an honorary board member. The mayor may attend all board meetings and participate in all board proceedings except that the mayor may not vote.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.102. COMPENSATION OF DIRECTORS. (a) A director may not receive any remuneration or emolument of office, but the director is entitled to reimbursement for the actual expenses incurred in performing the director's duties, to the extent authorized and permitted by the board.

(b) In all areas of conflict with Subsection (a) of this section, Section 49.060, Water Code, takes precedence.

(c) A director's compensation may be increased as authorized by Section 49.060, Water Code, by resolution adopted by the board in accordance with Subsection (e) of that section on or after September 1, 1995.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.103. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be appointed or to serve as a director, a person:

(1) must be a resident, qualified voter of the district;
(2) must not hold any other public office; and
(3) must not be an officer or employee of the city.

(b) A director is eligible for reappointment.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.104. VACANCIES. Any vacancy occurring on the board
shall be filled for the unexpired term by appointment in the manner in which the vacating director was appointed.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.105. REMOVAL FROM OFFICE.  (a) After reasonable notice and a public hearing, the board may remove a director from office for misfeasance, malfeasance, or wilful neglect of duty.

(b) Reasonable notice and a public hearing are not required if the notice and hearing are expressly waived in writing.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.106. BOARD RESOLUTIONS; QUORUM; VOTING REQUIREMENTS.  (a) The district shall act through resolutions adopted by the board.

(b) Three directors constitute a quorum.

(c) Each director has a vote.

(d) The affirmative vote of at least three directors is necessary to adopt any resolution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.107. OFFICERS AND ASSISTANTS.  (a) The board shall elect a president, vice president, secretary, and treasurer at the first meeting of the board in March of each year or at any time necessary to fill a vacancy.

(b) The board shall elect the president and vice president from among the directors.

(c) The president shall serve for a term of one year.

(d) The offices of secretary and treasurer:

(1) may be held by one person; and

(2) are not required to be held by a director.

(e) The board may appoint as assistant board secretary one or more persons who are not directors.
Sec. 11005.108. DUTIES OF OFFICERS AND ASSISTANTS. (a) The board president shall preside at board meetings and perform other duties prescribed by the board.

(b) The board secretary is the official custodian of the minutes, books, records, and seal of the board and shall perform other duties and functions prescribed by the board. An assistant board secretary may perform any duty or function of the board secretary.

(c) The board treasurer shall perform duties and functions prescribed by the board.

Sec. 11005.109. MEETINGS. The board shall have regular meetings at times specified by board resolution and shall have special meetings when called by the board president or by any three directors.

Sec. 11005.110. PERSONAL LIABILITY OF DIRECTORS. A director is not personally liable for any bond issued or contract executed by the district.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 11005.151. DISTRICT POWERS. The district may exercise any power necessary or appropriate to achieve the purposes of this chapter, including the power to:

(1) sue and be sued, and plead and be impleaded, in its own
name;

(2) adopt an official seal;

(3) adopt and enforce bylaws and rules for the conduct of its affairs;

(4) acquire, hold, use, and dispose of its receipts and money from any source;

(5) select a depository or depositories;

(6) acquire, own, rent, lease, accept, hold, or dispose of property, or an interest in property, including a right or easement, by purchase, exchange, gift, assignment, condemnation, sale, lease, or otherwise, in performing district duties or exercising district powers under this chapter;

(7) hold, manage, operate, or improve property;

(8) lease or rent any land, building, structure, or facility from or to any person;

(9) sell, assign, lease, encumber, mortgage, or otherwise dispose of property, or an interest in property, and release or relinquish a right, title, claim, lien, interest, easement, or demand, regardless of the manner in which acquired, and conduct a transaction authorized by this subdivision by public or private sale, with or without public bidding;

(10) issue bonds, provide for and secure the payment of the bonds, and provide for the rights of the holders of the bonds in the manner and to the extent authorized by this chapter;

(11) request and accept any appropriation, grant, allocation, subsidy, guaranty, aid, service, material, or gift from any source, including the federal government, the state, a public agency, or a political subdivision;

(12) operate and maintain an office;

(13) appoint and determine the duties, tenure, qualifications, and compensation of officers, employees, agents, professional advisors, and counselors considered necessary or advisable by the board, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts; and

(14) exercise any power granted by Chapter 30, Water Code, to districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07,
Sec. 11005.152. PERMITS. (a) The district may obtain through appropriate proceedings an appropriation permit or a diversion permit from the Texas Commission on Environmental Quality.

(b) The district may acquire a water appropriation permit from a permit owner by contract or otherwise.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.153. GENERAL AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A public agency or political subdivision of this state, including the city, may enter into a contract or agreement with the district, on terms agreed to by the parties, for any purpose relating to the district's powers or functions, including a contract or agreement for a water supply. Approval, notice, consent, or an election is not required in connection with the contract or agreement.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.154. DISTRICT AUTHORITY TO CONTRACT TO SUPPLY WATER. (a) The district may contract with municipalities and others, including the city, to supply water to them. The district may sell water inside or outside the boundaries of the district.

(b) The district may contract with a public agency or political subdivision for the rental or leasing of or for the operation of the water production, water supply, water filtration or purification, and water supply facilities of the entity on the consideration agreed to by the district and the entity.

(c) A contract under Subsection (a) or (b) may:

(1) be on terms and for the time agreed to by the parties; and

(2) provide that it will continue in effect until bonds specified in it and refunding bonds issued in lieu of the bonds are paid.
(d) The district may contract with the city for the operation of the district's water facilities by the city. An election is not required in connection with the contract.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.155. SOURCES FOR WATER; ACQUISITION OF LAND; STORAGE CAPACITY. (a) The district may acquire or construct, inside or outside the district, a reservoir or any work, plant, transmission line, or other facility necessary or useful to divert, impound, store, treat, or transport to the city and others water for municipal, domestic, industrial, mining, oil flooding, or any other useful purpose.

(b) The district may develop or otherwise acquire underground sources of water.

(c) The district may acquire land, or an interest in land, inside or outside the district, for any work, plant, or other facility necessary or useful to divert, impound, store, treat, or transport to the city and others water for municipal, domestic, industrial, mining, oil flooding, or any other useful purpose.

(d) The district may lease, purchase, or otherwise acquire rights in and to storage and storage capacity in any reservoir constructed or to be constructed by any person or from the United States.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.156. CONSTRUCTION CONTRACTS. (a) The district may award a construction contract that requires an expenditure of more than $5,000 only after publication of notice to bidders once each week for two weeks in a newspaper of general circulation in the district.

(b) The notice is sufficient if it states:
   (1) the time and place for opening the bids;
   (2) the general nature of the work to be done or the material, equipment, or supplies to be purchased; and
   (3) where the terms of bidding and copies of the plans and
specifications may be obtained.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.157. CONVEYANCE OF LAND TO DISTRICT. A public agency or political subdivision of this state, including the city, may lease, sell, or otherwise convey its land or an interest in its land to the district for consideration that the parties agree is adequate. Approval, notice, consent, or an election is not required in connection with the conveyance.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.158. SURPLUS PROPERTY. Subject to the terms of a resolution or deed of trust authorizing or securing bonds issued by the district, the district may sell, lease, rent, trade, or otherwise dispose of property that the board considers is not needed for a district purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.159. EMINENT DOMAIN. (a) To carry out a power conferred by this chapter, the district may exercise the power of eminent domain to acquire the fee simple title to land, or any other interest in land, and other property and easements, inside or outside the district, including land or an interest in land needed for a reservoir, dam, or flood easement above the probable high-water line around a reservoir.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The district is a municipal corporation for the purposes of Chapter 21, Property Code.

(d) The board shall determine the amount and the type of interest in land, other property, or easements to be acquired under this section.
Sec. 11005.160. COST OF RELOCATING OR ALTERING PROPERTY; RIGHTS-OF-WAY AND EASEMENTS. (a) If the district’s exercise of its eminent domain, police, or other power requires relocating, raising, lowering, rerouting, or changing the grade of or altering the construction of any railroad, electric transmission, telegraph, or telephone line, conduit, pole, property, or facility or pipeline, the action shall be accomplished at the sole expense of the district. The term "sole expense" means the actual cost of the lowering, rerouting, or change in grade or alteration of construction to provide a comparable replacement without enhancing the facility, after deducting from the cost the net salvage value derived from the old facility.

(b) The district has all necessary or useful rights-of-way and easements along, over, under, and across all public, state, municipal, and county roads, highways, and places for any of its purposes. The district shall restore a used facility to its previous condition as nearly as possible at the sole expense of the district.

Sec. 11005.161. OTHER DISTRICT POWERS. The district has the same power as is conferred by general law on municipal utility districts or on water control and improvement districts, with reference to entering land and making surveys and attending to other business of the district.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 11005.201. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the district to serve as the depository for the district’s money.

(b) District money shall be deposited in the depository
designated by the board, except that:

(1) bond proceeds and money pledged to pay bonds, to the extent provided in a resolution or trust indenture authorizing or securing district bonds, may be deposited with another bank or trustee named in the bond resolution or trust indenture; and

(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

(c) To the extent that money in a depository bank or trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of municipal money.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.202. INVESTMENT OF DISTRICT MONEY. The board may invest district money in obligations and make time deposits of district money in the manner determined by the board or in the manner permitted or required in a resolution or trust indenture authorizing or securing district bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.203. DISTRICT FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The district is not required to pay a tax or assessment on its facilities or any part of its facilities.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

SUBCHAPTER F. BONDS

Sec. 11005.251. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds payable from and secured by revenue or ad valorem taxes, or both revenue and ad valorem taxes, of the district to carry out any power conferred by this chapter. The bonds must be authorized by a board resolution.

(b) The bonds must be issued in the manner and under the terms
of the resolution authorizing the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.252. FORM OF BONDS. District bonds must be:
(1) issued in the district's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.253. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may call an election under this section without a petition. The resolution calling the election must specify:
(1) the time and place at which the election will be held;
(2) the purpose for which the bonds will be issued;
(3) the amount of the bonds;
(4) the form of the ballot; and
(5) other matters the board considers necessary or advisable.

(c) Notice of the election must be given by publishing a substantial copy of the resolution calling the election in a newspaper of general circulation in the district. The notice must be published once each week for two consecutive weeks. The first publication must be not later than the 14th day before the date of the election.
(d) The district may issue bonds not payable wholly or partly from ad valorem taxes without an election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.255.  BONDS SECURED BY REVENUE; ADDITIONAL BONDS.  (a) District bonds issued may be secured by a pledge of all or part of the district's revenue, or by all or part of the revenue of one or more contracts previously or subsequently made or other revenue or income specified by board resolution or a trust indenture securing the bonds. The pledge may reserve the right, under conditions specified by the pledge, to issue additional bonds that will be on a parity with or subordinate to the bonds then being issued.

(b) The district may issue bonds secured by both taxes and revenue of the district described by Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.256.  BONDS PAYABLE FROM AD VALOREM TAXES.  (a) If bonds are issued payable wholly or partly from ad valorem taxes, the board shall annually impose a tax on the taxable property in the district in an amount sufficient to pay the principal of and interest on the bonds when due.

(b) The district may adopt the rate of a tax imposed under Subsection (a) for any year after giving consideration to the money received from the pledged revenue that may be available for payment of principal and interest, to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.257.  ADDITIONAL SECURITY.  (a) District bonds, including refunding bonds, that are not payable wholly from ad valorem taxes may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on physical property of
the district and all franchises, easements, water rights and appropriation permits, leases, and contracts and all rights appurtenant to the property, vesting in the trustee power to:

1. sell the property for the payment of the debt;
2. operate the property; and
3. take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust lien, if one is given:

1. is the absolute owner of property, facilities, and rights purchased; and
2. is entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.258. TRUST INDENTURE. (a) District bonds, including refunding bonds, that are not payable wholly from ad valorem taxes may be additionally secured by a trust indenture. The trustee may be a bank with trust powers located inside or outside the state.

(b) A trust indenture, regardless of the existence of a deed of trust or mortgage lien on property, may:

1. provide for the security of the bonds and the preservation of the trust estate as prescribed by the board;
2. provide for amendment or modification of the trust indenture;
3. provide for the issuance of bonds to replace lost or mutilated bonds;
4. condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and
5. provide for the investment of district money.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.259. RATES FOR SERVICES; PAYMENT OF REVENUE BONDS. (a) If district bonds payable wholly from revenue are issued, the
board shall set the rates of compensation for water sold and services provided by the district. The rates must be sufficient to:

(1) pay the expense of operating and maintaining district facilities;
(2) pay the principal of and interest on the bonds when due; and
(3) maintain the reserve fund and other funds as provided in the resolution authorizing the bonds.

(b) If bonds payable partly from revenue are issued, the board shall set the rate of compensation for water sold and any other services provided by the district. The rate must be sufficient to ensure compliance with the resolution authorizing the bonds or the trust indenture securing the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.260. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of district bonds for:

(1) the payment of interest expected to accrue during construction not to exceed three years;
(2) a reserve interest and sinking fund; and
(3) other funds as may be provided in the resolution authorizing the bonds or in the trust indenture.

(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purpose of the district, including any expense of issuing and selling the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.261. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on district bonds that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the district.

(b) The receiver may collect and receive all district income, except taxes, employ and discharge district agents and employees,
take charge of money on hand, except money received from taxes, unless commingled, and manage the proprietary affairs of the district without consent or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or to renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.262. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding district bonds and interest on those bonds.

(b) Refunding bonds may:
   (1) be issued to refund bonds of more than one series;
   (2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or
   (3) be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest and any required redemption premium on the bonds to be refunded to any redemption date or to their maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

(f) An election is not required to authorize the issuance of refunding bonds.
(g) The district may also issue refunding bonds under any other applicable law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.263. LIMITATION ON RIGHTS OF BONDHOLDERS. The resolution authorizing the bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11005.264. BONDS EXEMPT FROM TAXATION. A district bond, the transfer of the bond, and the income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

CHAPTER 11006. SOUTH TEXAS WATER AUTHORITY
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 11006.001. DEFINITIONS. In this chapter:
(1) "Authority" means the South Texas Water Authority.
(2) "Board" means the board of directors of the authority.
(3) "Cities" means the cities of Agua Dulce, Bishop, Driscoll, and Kingsville.
(4) "Director" means a member of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.002. NATURE OF AUTHORITY. The authority is a conservation and reclamation district created under Section 59,
Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The authority is created to serve a public use and benefit.

(b) All land and other property in the authority will benefit from the works and projects to be accomplished by the authority under powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The accomplishment of the purposes stated in this chapter will benefit the people of this state and improve their properties and industries.

(d) The authority, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution of this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

SUBCHAPTER B. AUTHORITY TERRITORY; ANNEXATION

Sec. 11006.051. AUTHORITY TERRITORY. (a) The authority is composed of the territory described by Section 2, Chapter 436, Acts of the 66th Legislature, Regular Session, 1979, as that territory may have been modified under:

(1) this subchapter or its predecessor statute, Section 7, Chapter 436, Acts of the 66th Legislature, Regular Session, 1979;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries of the authority form a closure. A mistake does not affect:

(1) the authority's organization, existence, or validity;

(2) the authority's right to issue any type of bond for a purpose for which the authority is created or to pay the principal of and interest on the bond;

(3) the authority's right to impose a tax; or

(4) the legality or operation of the authority, its bonds, or its governing body.
Sec. 11006.052. ANNEXATION OF TERRITORY. (a) Territory may be annexed to the authority as provided by this section.

(b) The board may annex territory or a municipality under this section only if a petition requesting annexation is signed by 50 registered voters of the territory or municipality to be annexed, or a majority of the registered voters of that territory or municipality, whichever is fewer, and is filed with the board. The petition must describe the territory to be annexed by metes and bounds, or otherwise, except that if the territory is the same as that contained in the boundaries of a municipality, the petition is sufficient if it states that the territory to be annexed is the territory contained in the municipal boundaries.

(c) If the board determines that the petition complies with Subsection (b), that the annexation would be in the best interest of the territory or municipality and the authority, and that the authority will be able to supply water or have water supplied to the territory or municipality, the board shall:

(1) adopt a resolution stating the conditions, if any, under which the territory or municipality may be annexed to the authority; and

(2) set a time and place to hold a hearing on the question of whether the territory or municipality to be annexed will benefit from:

(A) the improvements, works, or facilities owned or operated or contemplated to be owned or operated by the authority; or

(B) the other functions of the authority.

(d) At least 10 days before the date of the hearing, notice of the adoption of the resolution stating the time and place of the hearing must be published one time in a newspaper of general circulation in the territory or municipality proposed to be annexed. The notice must describe the territory in the same manner in which Subsection (b) requires the petition to describe the territory.

(e) Any interested person may appear at the hearing and offer evidence for or against the annexation.

(f) The hearing may proceed in the order and under the rules prescribed by the board and may be recessed from time to time.
(g) If, at the conclusion of the hearing, the board finds that the property in the territory or municipality will benefit from the present or contemplated improvements, works, or facilities, the board shall adopt a resolution making a finding of the benefit and calling an election in the territory or municipality to be annexed.

(h) The resolution must state:
   (1) the date of the election;
   (2) each place where the election will be held; and
   (3) the proposition to be voted on.

(i) At least 10 days before the date set for the election, notice of the election must be given by publishing a substantial copy of the resolution calling the election one time in a newspaper of general circulation in the territory or municipality proposed to be annexed.

(j) If a majority of the votes cast at the election are in favor of annexation, the board by resolution shall annex the territory or municipality to the authority.

(k) An annexation under this section is incontestable except in the manner and within the time for contesting elections under the Election Code.

(l) The board is not required to call an election if:
   (1) a petition requesting annexation is signed by all residents and landowners of the territory or municipality to be annexed, the same as provided by law for conveyance of real property; and

   (2) the petition:
      (A) states that the petitioners:
          (i) approve their share of the outstanding bonds or other obligations and the unissued bonds, if any, of the authority; and

          (ii) authorize the board to set rates sufficient to pay their share of the debt and impose taxes sufficient to pay those bonds, if authorized; and

      (B) is filed in the office of the county clerk of each county in which the authority is located.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.
SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 11006.101. COMPOSITION OF BOARD; TERMS. (a) The authority is governed by a board of nine directors. The directors occupy numbered places on the board. The Commissioners Court of Kleberg County shall appoint directors for Places 1, 3, 5, 7, and 9, and the Commissioners Court of Nueces County shall appoint directors for Places 2, 4, 6, and 8.

(b) Directors serve staggered two-year terms, with the terms of the directors occupying Places 1, 2, 3, and 4 commencing at 12:01 a.m. on April 1 of each even-numbered year and the terms of the directors occupying Places 5, 6, 7, 8, and 9 commencing at 12:01 a.m. on April 1 of each odd-numbered year.

(c) In March of each year, the appropriate commissioners court shall appoint directors to the appropriate places on the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.102. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be appointed or to serve as a director, a person:

(1) must be a resident, qualified voter of:
   (A) the authority; and
   (B) the county from which the person is appointed; and

(2) may not:
   (A) hold another public office; or
   (B) be an officer or employee of the authority.

(b) Of the directors appointed by the Commissioners Court of Nueces County:

(1) one must be a resident of the municipality of Agua Dulce;

(2) one must be a resident of the municipality of Bishop;

(3) one must be a resident of the municipality of Driscoll;

and

(4) one must be appointed at large and may be a resident of any of those municipalities.

(c) A director is eligible for reappointment.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.
Sec. 11006.103. VACANCIES. Any vacancy occurring on the board shall be filled for the unexpired term by appointment in the manner in which the vacating director was appointed.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.104. REMOVAL FROM OFFICE. After reasonable notice and a public hearing, the board may remove a director from office for misfeasance, malfeasance, or wilful neglect of duty. Reasonable notice and a public hearing are not required if the notice and hearing are expressly waived in writing.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.105. BOND. Each director shall execute a good and sufficient bond for $5,000 that is:

1. payable to the authority; and
2. conditioned on the faithful performance of the director's duties.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.106. BOARD RESOLUTIONS; VOTING. (a) The authority shall act by resolutions adopted by the board.
(b) All directors are entitled to vote.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.107. OFFICERS AND ASSISTANTS. (a) The board shall elect a president, vice president, secretary, and treasurer at the first meeting of the board in April of each year or at any time necessary to fill a vacancy.
(b) The board shall elect the president and vice president from
among the directors.

(c) The president serves for a one-year term.

(d) The offices of secretary and treasurer:
(1) may be held by one person; and
(2) are not required to be held by a director.

(e) The board may appoint as assistant board secretary one or more persons who are not directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.108. DUTIES OF OFFICERS AND ASSISTANTS. (a) The board president shall preside at board meetings and perform other duties prescribed by the board.

(b) The board vice president shall perform the duties of the president when the president is not present or is otherwise incapacitated.

(c) The board secretary is the official custodian of the minutes, books, records, and seal of the board and shall perform other duties and functions prescribed by the board. An assistant board secretary may perform any duty or function of the board secretary.

(d) The board treasurer shall perform duties and functions prescribed by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.109. MEETINGS. The board shall have regular meetings at times specified by board resolution and shall have special meetings when called by the board president or by any three directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.110. PERSONAL LIABILITY OF DIRECTORS. A director is not personally liable for a bond issued or contract executed by the
authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 11006.151. GENERAL POWERS. The authority may exercise any power necessary or appropriate to achieve the purposes of this chapter, including the power to:

(1) sue and be sued and plead and be impleaded in its own name;
(2) adopt an official seal;
(3) adopt and enforce bylaws and rules for the conduct of its affairs;
(4) acquire, hold, use, and dispose of its receipts and money from any source;
(5) select a depository or depositories;
(6) acquire, own, rent, lease, accept, hold, or dispose of property, or an interest in property, including a right or easement, by purchase, exchange, gift, assignment, condemnation, sale, lease, or otherwise, in performing authority duties or exercising authority powers under this chapter;
(7) hold, manage, operate, or improve property;
(8) lease or rent any land, building, structure, or facility from or to any person;
(9) sell, assign, lease, encumber, mortgage, or otherwise dispose of property, or an interest in property, and release or relinquish a right, title, claim, lien, interest, easement, or demand, regardless of the manner in which acquired, and conduct a transaction authorized by this subdivision by public or private sale, with or without public bidding, notwithstanding any other law;
(10) issue bonds, provide for and secure the payment of the bonds, and provide for the rights of the holders of the bonds in the manner and to the extent authorized by this chapter;
(11) request and accept any appropriation, grant, allocation, subsidy, guaranty, aid, service, material, or gift from any source, including the federal government, the state, a public agency, or a political subdivision;
(12) operate and maintain an office;
(13) appoint and determine the duties, tenure, qualifications, and compensation of officers, employees, agents, professional advisors, and counselors, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts considered necessary or advisable by the board; and


Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.152. PERMITS. (a) The authority may obtain, through appropriate proceedings, an appropriation permit or a diversion permit from the Texas Commission on Environmental Quality.

(b) The authority may acquire a water appropriation permit from a permit owner by contract or otherwise.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.153. GENERAL POWER OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH AUTHORITY. A public agency or political subdivision of this state, including the cities, may enter into a contract or agreement with the authority, on terms agreed to by the parties, for any purpose relating to the authority's powers or functions. Approval, notice, consent, or an election is not required in connection with the contract or agreement.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.154. CONTRACTS TO SUPPLY WATER. (a) The authority may contract with public agencies or political subdivisions, including the cities, to supply water to them. The authority may sell water inside or outside the boundaries of the authority.

(b) Contracts under Subsection (a) may provide that the contractual payments by the political subdivisions:
(1) will be payable from revenue or the imposition of taxes or both; and
(2) will constitute the purchase of the authority's system at the time all indebtedness incurred by the authority for acquisition, construction, improvement, and extensions of the system is paid in full.
(c) The authority may contract with a public agency or political subdivision for the rental or leasing of or for the operation of the water supply, water, and filtration or purification facilities of the entity for the consideration agreed to by the authority and the entity.
(d) A contract under Subsection (a) or (c) may:
(1) be on the terms and for the time agreed to by the parties; and
(2) provide that it will continue in effect until bonds specified in it and refunding bonds issued in lieu of the bonds are paid.
(e) The authority may enter into contracts or agreements with the Nueces River Authority and the City of Corpus Christi for the purchase of water.
(f) The authority and the City of Corpus Christi may enter into contracts or agreements for the sale of water and the operation and maintenance of the authority's water lines if considered advisable.
(g) Public agencies or political subdivisions of this state, including the cities, may enter into contracts or agreements with the authority for a water supply.
(h) Approval, notice, consent, or an election is not required in connection with a contract or agreement described by Subsection (e), (f), or (g).

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.155. SOURCES FOR WATER; ACQUISITION OF LAND; STORAGE CAPACITY. (a) The authority may acquire or construct, inside or outside the authority, any work, well, plant, transmission line, or other facility necessary or useful to divert, impound, drill for, store, treat, or transport water to the cities for municipal, domestic, agricultural, industrial, or any other useful purposes.
(b) The authority may develop or otherwise acquire underground sources of water.

(c) The authority may acquire land, or an interest in land, inside or outside the authority for any reservoir, work, well, plant, transmission line, or other facility necessary or useful to impound, store, treat, or transport water to the cities and others for municipal, domestic, agricultural, industrial, mining, oil flooding, or any other useful purposes.

(d) The authority may lease, purchase, or otherwise acquire rights in and to storage and storage capacity in any reservoir constructed or to be constructed by any person.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.156. CONVEYANCE OF LAND TO AUTHORITY. A public agency or political subdivision of this state, including the cities, may lease, sell, or otherwise convey its land or an interest in its land to the authority for the consideration that the parties agree is adequate. Approval, notice, consent, or an election is not required in connection with the conveyance.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.157. SURPLUS PROPERTY. Subject to the terms of a resolution or deed of trust authorizing or securing bonds issued by the authority, the authority may sell, lease, rent, trade, or otherwise dispose of property that the board considers not needed for an authority purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.158. EMINENT DOMAIN. (a) To carry out a power conferred by this chapter, the authority may exercise the power of eminent domain to acquire the fee simple title to land, or any other interest in land, and other property and easements, inside or outside
the authority, including land or an interest in land needed for a reservoir, dam, or flood easement above the probable high-water line around a reservoir.

(b) The authority must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The authority is a municipal corporation for the purposes of Chapter 21, Property Code.

(d) The board shall determine the amount and the type of interest in land, other property, or easements to be acquired.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.159. COST OF RELOCATING OR ALTERING PROPERTY; RIGHTS-OF-WAY AND EASEMENTS. (a) If the authority's exercise of its eminent domain, police, or other power requires relocating, raising, lowering, rerouting, or changing the grade of or altering the construction of any railroad, electric transmission, telegraph, or telephone line, conduit, pole, property, or facility or pipeline, the action shall be accomplished at the sole expense of the authority. The term "sole expense" means the actual cost of the raising, lowering, rerouting, or change in grade or alteration of construction to provide a comparable replacement without enhancing the facility, after deducting from the cost the net salvage value derived from the old facility.

(b) The authority has all necessary or useful rights-of-way and easements along, over, under, and across all public, state, municipal, and county roads, highways, and places for any of its purposes. The authority shall restore a used facility to its previous condition as nearly as possible at the sole expense of the authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.160. OTHER AUTHORITY POWERS. The authority has the same power as is conferred by general law on municipal utility districts and on water control and improvement districts with reference to entering land, making surveys, and attending to other
business of the authority.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

**SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS**

Sec. 11006.201. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the authority to serve as the depository for the authority's money.

(b) Authority money shall be deposited in the depository designated by the board, except that:

(1) bond proceeds and money pledged to pay bonds, to the extent provided in a resolution or trust indenture authorizing or securing authority bonds, may be deposited with another bank or trustee named in the bond resolution or trust indenture; and

(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

(c) To the extent that money in a depository bank or a trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of municipal money.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.202. INVESTMENT OF AUTHORITY MONEY. The board may invest authority money in obligations and make time deposits of authority money in the manner determined by the board or in the manner permitted or required in a resolution or trust indenture authorizing or securing authority bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.203. AUTHORITY ACCOUNTS. The authority shall maintain a complete system of the authority's accounts.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07,
eff. April 1, 2017.

Sec. 11006.204. AUTHORITY FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The authority is not required to pay a tax or assessment on its facilities or any part of its facilities.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

SUBCHAPTER F. BONDS

Sec. 11006.251. AUTHORITY TO ISSUE BONDS. (a) The authority may issue bonds payable from and secured by revenue or ad valorem taxes, or both revenue and ad valorem taxes, of the authority to carry out any power or authority conferred by this chapter. The bonds must be authorized by a board resolution.

(b) The bonds must be issued in the manner and under the terms of the resolution authorizing the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.252. FORM OF BONDS. Authority bonds must be:
(1) issued in the authority's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.253. MATURITY. Authority bonds must mature not later than 50 years after the date of their issuance.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM
TAXES. (a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by a majority of the authority voters voting at an election held for that purpose.

(b) The board may call an election under this section without a petition. The resolution calling the election must specify:
   (1) the time and place at which the election will be held;
   (2) the purpose for which the bonds will be issued;
   (3) the amount of the bonds;
   (4) the form of the ballot; and
   (5) other matters the board considers necessary or advisable.

(c) Notice of the election must be given by publishing a substantial copy of the resolution calling the election in a newspaper of general circulation in the authority. The notice must be published once each week for two consecutive weeks. The first publication must be not later than the 14th day before the date of the election.

(d) The authority may issue bonds not payable wholly or partly from ad valorem taxes without an election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.255. BONDS SECURED BY REVENUE; ADDITIONAL BONDS. (a) Authority bonds issued may be secured by a pledge of all or part of the authority's revenue or by all or part of the revenue of one or more contracts made or other revenue or income specified by board resolution or a trust indenture securing the bonds. The pledge may reserve the right, under conditions specified by the pledge, to issue additional bonds that will be on a parity with or subordinate to the bonds then being issued.

(b) The authority may issue bonds secured by both taxes and revenue of the authority described by Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.256. BONDS PAYABLE FROM AD VALOREM TAXES. (a) If
bonds are issued payable wholly or partly from ad valorem taxes, the board shall annually impose a tax on the taxable property in the authority in an amount sufficient to pay the principal of and interest on the bonds when due but not to exceed 20 cents on the $100 valuation of taxable property in the authority.

(b) The board may adopt the rate of a tax imposed under Subsection (a) for any year after giving consideration to the money received from the pledged revenue that may be available for payment of principal and interest, to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.257. ADDITIONAL SECURITY. (a) Authority bonds, including refunding bonds, that are not payable wholly from ad valorem taxes may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on physical property of the authority and all franchises, easements, water rights and appropriation permits, leases, and contracts and all rights appurtenant to the property, vesting in the trustee power to:

(1) sell the property for the payment of the debt;
(2) operate the property; and
(3) take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust lien, if one is given:

(1) is the absolute owner of property, facilities, and rights purchased; and
(2) is entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.258. TRUST INDENTURE. (a) Authority bonds, including refunding bonds, that are not payable wholly from ad valorem taxes may be additionally secured by a trust indenture. The trustee may be a bank with trust powers located inside or outside this state.
(b) A trust indenture, regardless of the existence of a deed of trust or mortgage lien on property, may:

(1) provide for the security of the bonds and the preservation of the trust estate as prescribed by the board;
(2) provide for amendment or modification of the trust indenture;
(3) provide for the issuance of bonds to replace lost or mutilated bonds;
(4) condition the right to spend authority money or sell authority property on the approval of a licensed engineer selected as provided by the trust indenture; and
(5) provide for the investment of authority money.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.259. CHARGES FOR AUTHORITY SERVICES. (a) If authority bonds payable wholly from revenue are issued, the board shall set and from time to time revise the rates of compensation for water sold and services provided by the authority. The rates must be sufficient to:

(1) pay the expenses of operating and maintaining authority facilities;
(2) pay the principal of and interest on the bonds when due; and
(3) maintain the reserve fund and other funds as provided in the resolution authorizing the bonds.

(b) If bonds payable partly from revenue are issued, the board shall set and from time to time revise the rate of compensation for water sold and any other services provided by the authority. The rate must be sufficient to ensure compliance with the resolution authorizing the bonds or the trust indenture securing the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.260. USE OF BOND PROCEEDS. (a) The authority may set aside an amount of proceeds of the sale of authority bonds for:

(1) the payment of interest expected to accrue during
construction not to exceed three years;
(2) a reserve interest and sinking fund; and
(3) other funds as may be provided in the resolution
authorizing the bonds or in the trust indenture.

(b) The authority may use proceeds from the sale of bonds to
pay any expense necessarily incurred in accomplishing the purpose of
the authority, including:
(1) any expense of issuing and selling the bonds; and
(2) the amount needed to operate the authority during
construction of the improvements.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07,
eff. April 1, 2017.

Sec. 11006.261. APPOINTMENT OF RECEIVER. (a) On default or
threatened default in the payment of the principal of or interest on
authority bonds that are payable wholly or partly from revenue, a
court may, on petition of the holders of outstanding bonds, appoint a
receiver for the authority.

(b) The receiver may collect and receive all authority income,
employ and discharge authority agents and employees, take charge of
money on hand, and manage the proprietary affairs of the authority
without consent or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the
sale of water or to renew contracts with the approval of the court
that appointed the receiver.

(d) The court may vest the receiver with any other power or
duty the court finds necessary to protect the bondholders.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07,
eff. April 1, 2017.

Sec. 11006.262. REFUNDING BONDS. (a) The authority may issue
refunding bonds to refund outstanding authority bonds and interest on
those bonds.

(b) Refunding bonds may:
(1) be issued to refund bonds of more than one series;
(2) combine the pledges for the outstanding bonds for the
security of the refunding bonds; or
be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the authority, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest and any required redemption premium on the bonds to be refunded to any redemption date or to their maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

(f) An election is not required to authorize the issuance of refunding bonds.

(g) The authority may also issue refunding bonds under any other applicable law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.263. LIMITATION ON RIGHTS OF BONDHOLDERS. The resolution authorizing the bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the authority's property or income.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11006.264. BONDS EXEMPT FROM TAXATION. An authority bond, the transfer of the bond, and the income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.
Sec. 11006.265. DETACHMENT OF AUTHORITY TERRITORY AFTER ISSUANCE OF BONDS. Territory may not be detached from the authority after the issuance of bonds payable from revenue or taxes, or both revenue and taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

CHAPTER 11007. WEST JEFFERSON COUNTY MUNICIPAL WATER DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 11007.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.
(2) "Bond" means a bond or note.
(3) "Director" means a member of the board.
(4) "District" means the West Jefferson County Municipal Water District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Jefferson County created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property in the district will benefit from the works and projects to be accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The accomplishment of the purposes stated in this chapter will benefit the people of this state and improve their properties.
and industries. The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution of this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect the purposes, powers, rights, and functions stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 337, Acts of the 65th Legislature, Regular Session, 1977, as that territory may have been modified under:

(1) Subsection (c) or its predecessor statute, Section 2, Chapter 337, Acts of the 65th Legislature, Regular Session, 1977;
(2) Subchapter H, Chapter 54, Water Code;
(3) Subchapter J, Chapter 49, Water Code; or
(4) other law.

(b) The boundaries of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

(1) the district's organization, existence, or validity;
(2) the district's right to issue bonds or to pay the principal of and interest on the bonds;
(3) the district's right to impose a tax; or
(4) the legality or operation of the district or the board.

(c) The board may redefine the boundaries of the district to correct any mistake in the field notes appearing in Section 1, Chapter 337, Acts of the 65th Legislature, Regular Session, 1977.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.
SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 11007.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of seven elected directors, each of whom occupies a numbered place on the board.

(b) Directors serve staggered terms.

(c) Director elections must be held in the manner provided in the Water Code for municipal utility districts.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.052. QUALIFICATIONS FOR OFFICE. To be eligible to be elected or to serve as a director, a person must be a resident, qualified voter of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.053. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a) The district shall act through orders or resolutions adopted by the board.

(b) All directors are entitled to vote.

(c) The affirmative vote of a majority of the directors in attendance, but not fewer than four directors, is necessary to adopt an order or resolution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.054. OFFICERS AND ASSISTANTS. (a) The board shall elect a president, vice president, secretary, and treasurer.

(b) The board shall elect the president and vice president from among the directors.

(c) The president serves for a one-year term.

(d) The offices of secretary and treasurer:

(1) may be held by one person; and

(2) are not required to be held by a director.

(e) The board may appoint one or more assistant officers who...
are not required to be directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.055. OFFICER DUTIES. (a) The board president shall preside at board meetings and perform other duties prescribed by the board.

(b) The board vice president shall perform the duties of the president when the president is not present or is otherwise incapacitated.

(c) The board secretary is the official custodian of the minutes, books, records, and seal of the board and shall perform other duties and functions prescribed by the board.

(d) The board treasurer shall perform duties and functions prescribed by the board.

(e) An assistant officer shall perform duties and functions prescribed by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.056. MEETINGS. The board shall have regular meetings at times specified by board resolution or bylaws and shall have special meetings when called by the board president or by any three directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 11007.101. DISTRICT POWERS. The district may exercise any power necessary or appropriate to achieve the purposes of this chapter, including the power to:

(1) adopt an official seal;

(2) adopt and enforce:

(A) bylaws and rules for the conduct of its affairs;

and
(B) rules that a municipal utility district may adopt and enforce under Section 54.205 et seq., Water Code;

(3) acquire, hold, use, invest, reinvest, and dispose of its receipts and money from any source;

(4) select a depository or depositories;

(5) acquire, own, rent, lease, accept, hold, or dispose of property or an interest in property, including a right or easement, by purchase, exchange, gift, assignment, condemnation, sale, lease, or other means, in performing a duty or exercising a power under this chapter;

(6) hold, manage, operate, or improve property;

(7) lease or rent any land, buildings, structures, or facilities from or to any person;

(8) sell, assign, lease, encumber, mortgage, or otherwise dispose of property or an interest in property, and release or relinquish a right, title, claim, lien, interest, easement, or demand, regardless of the manner in which acquired, and conduct a transaction authorized by this subdivision by public or private sale, notwithstanding any other law;

(9) in the manner and to the extent permitted by this chapter:

(A) borrow money for a corporate purpose;

(B) enter into an agreement in connection with the borrowing;

(C) issue bonds for money borrowed;

(D) provide for and secure the payment of the bonds;

and

(E) provide for the rights of the holders of the bonds;

(10) request and accept any appropriation, grant, allocation, subsidy, guaranty, aid, service, material, or gift from any public or private source, including the federal government, the state, a public agency, or a political subdivision;

(11) operate and maintain an office; and

(12) appoint and determine the duties, tenure, qualifications, and compensation of officers, employees, agents, and professional advisors and counselors considered necessary or advisable by the board, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07,
Sec. 11007.102. GENERAL POWERS REGARDING WATER. The district has all rights, powers, and privileges necessary or useful to enable it to acquire, provide, supply, deliver, and sell potable water inside or outside its boundaries for any beneficial purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.103. GENERAL POWERS REGARDING WASTE. The district has all rights, powers, and privileges necessary or useful to enable it to collect, transport, dispose of, and control domestic, industrial, or communal wastes, whether in fluid, solid, or composite state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.104. GENERAL POWERS REGARDING GARBAGE COLLECTION AND DISPOSAL. The district has all rights, powers, and privileges necessary or useful to enable it to provide for garbage collection and disposal in all or part of the district on terms and at rates and charges the board considers just and reasonable to:

(1) preserve the water of rivers and streams in the district and this state; and
(2) aid in the preservation and conservation of the natural resources of the district and this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.105. GENERAL CONTRACT POWERS. (a) The district may enter into and enforce a contract or agreement necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred on the district by this chapter or general law, including a contract or agreement with any person as the board
considers necessary or proper for, or in connection with, any power or function of the district for:

(1) the purchase or sale of water;
(2) the collection, transportation, processing, or disposal of waste; or
(3) the construction, acquisition, ownership, financing, operation, maintenance, sale, leasing to or from, or other use or disposition of any facilities authorized to be developed, acquired, or constructed under this chapter or general law.

(b) The authority to enter into or enforce the contract or agreement includes the authority to enter into or enforce a contract or agreement regarding:

(1) any improvements, structures, facilities, equipment, and other property of any kind in connection with the subject of the contract or agreement;
(2) any land, leaseholds, and easements; and
(3) any interests in the property.

(c) The contract or agreement:

(1) may not have a term of more than 40 years; and
(2) may contain provisions the board determines to be in the best interest of the district.

(d) The district may pledge all or part of its revenue to the payment of its obligations under the contract or agreement to the same extent and on the same conditions as it may pledge revenue to secure district bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.106. AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A public agency or political subdivision of this state, including a city, town, or village in the district, may enter into a contract or agreement with the district, on terms agreed to by the parties, for:

(1) the purchase or sale of water;
(2) waste collection, transportation, processing, or disposal; or
(3) any purpose relating to the district's powers or functions.
Sec. 11007.107. CONVEYANCE OF PROPERTY TO DISTRICT. A public agency or political subdivision of this state, including a city, town, or village in the district, may lease, sell, or otherwise convey to the district, for any consideration that the parties agree is adequate, any of its land, improvements, property, plants, lines, or other facilities related to:

(1) the supply of water; or
(2) waste collection, transportation, processing, or disposal.

Sec. 11007.108. ACQUISITION OF EXISTING FACILITIES. If the district acquires existing works, improvements, facilities, plants, equipment, or appliances that are completed, partially created, or under construction, the district may:

(1) assume the contracts and obligations of the previous owner; and
(2) perform the obligations of the previous owner in the same manner and to the same extent that any other purchaser or assignee would be bound.

Sec. 11007.109. EMINENT DOMAIN. (a) To carry out a power conferred by this chapter, the district may exercise the power of eminent domain inside or outside the district to acquire the fee simple title to land, or any other interest in land as determined by the board, and other property and easements, necessary for water wells, water or sewer treatment plants, water or sewer lines, pumping stations and force mains, storage tanks, or other similar facilities. (b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.
Sec. 11007.110. COST OF RELOCATING OR ALTERING PROPERTY; RIGHTS-OF-WAY AND EASEMENTS. (a) If the district's exercise of its eminent domain, police, or other power requires relocating, raising, lowering, rerouting, or changing the grade of or altering the construction of any highway, railroad, electric, transmission, telegraph, or telephone line, conduit, pole, property, or facility or pipeline, the action shall be accomplished at the sole expense of the district. The term "sole expense" means the actual cost of the lowering, rerouting, or change in grade or alteration of construction to provide a comparable replacement without enhancing the facility, after deducting from the cost the net salvage value derived from the old facility.

(b) The district has all necessary or useful rights-of-way and easements along, over, under, and across all public, state, municipal, and county roads, highways, and places for any of its purposes. The district shall restore a used facility to its previous condition as nearly as possible at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 11007.151. IMPOSITION OF MAINTENANCE TAX; PROHIBITION ON OTHER TAXES OR ASSESSMENTS. (a) The district may impose a tax, not to exceed 10 cents on each $100 valuation of taxable property in the district, for:

(1) maintenance purposes, including money for studying, planning, maintaining, repairing, and operating all necessary plants, works, facilities, improvements, appliances, and equipment of the district;

(2) paying costs of proper services, engineering, and legal fees; and

(3) organization and administrative expenses.

(b) The district may not impose a maintenance tax unless the tax is approved by a majority of the voters voting at an election.
(c) Except for the maintenance tax authorized by this section, the district may not under this chapter or any other law levy or collect a tax or assessment or create a debt payable from a tax or assessment.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.152. ELECTION TO IMPOSE TAX. (a) The board may order an election to impose a maintenance tax. The election order must specify:

(1) the time and place of the election;
(2) the maximum amount of tax to be authorized;
(3) the form of the ballot; and
(4) other matters the board considers necessary or advisable.

(b) Notice of the election must be given by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper of general circulation in the district. The first publication must occur at least 14 days before the date of the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.153. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the district to serve as the depository for the district's money.

(b) All district money shall be deposited in the depository designated by the board, except that:

(1) bond proceeds and money pledged to pay bonds, to the extent provided in a resolution or trust indenture authorizing or securing district bonds, may be deposited with another bank or trustee named in the bond resolution or trust indenture; and

(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

(c) To the extent that money in a depository bank or the trustee bank is not insured by the Federal Deposit Insurance
Corporation, the money must be secured in the manner provided by law for the security of the county funds in this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.154. INVESTMENT OF DISTRICT MONEY. The board may invest district money in obligations and make time deposits of district money in a manner determined by the board or in the manner permitted or required in a resolution or trust indenture authorizing or securing district bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.155. DISTRICT FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The district is not required to pay a tax or assessment on its facilities or any part of its facilities.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

SUBCHAPTER E. BONDS

Sec. 11007.201. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds payable from and secured by district revenue to carry out any power conferred by this chapter. The bonds must be authorized by a board resolution.

(b) The bonds must be issued in the manner and under the terms of the resolution authorizing the issuance of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.202. FORM OF BONDS. District bonds must be:

(1) issued in the district's name;
(2) signed by the president or vice president; and
(3) attested by the secretary.
Sec. 11007.203. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Sec. 11007.204. BONDS SECURED BY REVENUE; ADDITIONAL BONDS. (a) District bonds may be secured by a pledge of all or part of the district's revenue, or by all or part of the payments or rentals under one or more contracts or leases specified by board resolution or a trust indenture securing the bonds. (b) A resolution authorizing the issuance of bonds secured by a pledge of revenue of all or part of the district's facilities may provide that the district shall first pay the expenses of operating and maintaining all or part of the facilities as the board considers appropriate before paying the principal of and interest on the bonds. (c) In a resolution authorizing the issuance of bonds secured by revenue, contract payments, or lease rentals, the district may reserve the right, under conditions specified by the resolution, to issue additional bonds that will be on a parity with, superior to, or subordinate to the bonds then being issued.

Sec. 11007.205. ADDITIONAL SECURITY. (a) District bonds may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on all or part of the district's physical property, facilities, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee power to: (1) sell the property for the payment of the debt; (2) operate the property; and (3) take other action to further secure the bonds. (b) A purchaser under a sale under the deed of trust lien, if
one is given:

(1) is the absolute owner of the property, facilities, and rights purchased; and

(2) is entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.206. TRUST INDENTURE. District bonds authorized by this chapter, including refunding bonds, may be additionally secured by a trust indenture. The trustee may be a bank with trust powers that is located inside or outside the state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.207. CHARGES FOR DISTRICT SERVICES. If district bonds payable wholly from revenue are issued, the board shall set and from time to time revise the rates, fees, and charges assessed for water sold and waste collection and treatment services provided by the district. The rates, fees, and charges must be sufficient to:

(1) pay the expense of operating and maintaining the district facilities that generate the revenue from which the bonds will be paid;

(2) pay the principal of and interest on the bonds when due; and

(3) maintain the reserve fund and other funds as provided in the resolution authorizing the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.208. STATE PLEDGE REGARDING RIGHTS AND REMEDIES OF BONDHOLDERS. Without depriving this state of its power to regulate and control the rates, fees, and charges assessed for water sold and waste collection and treatment services provided by the district, the state pledges to and agrees with the holders of district bonds that
the state will not exercise its power to regulate and control the rates, fees, and charges in any way that would impair the rights or remedies of the holders of the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.209. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of district bonds for:

(1) the payment of interest expected to accrue during construction not to exceed three years;
(2) a debt service reserve fund; and
(3) other funds as may be provided in the resolution authorizing the bonds or in the trust indenture.

(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purpose of the district, including any expense of issuing and selling the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.210. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on district bonds that are payable wholly or partly from revenue, a court may, on petition of the holders of at least 25 percent of the district's outstanding revenue bonds, appoint a receiver for the district.

(b) The receiver may collect and receive all district revenue, other than taxes, employ and discharge district agents and employees, and take charge of money on hand, other than money received from taxes, unless commingled, and/or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or the collection or treatment of waste or to renew contracts, with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07,
Sec. 11007.211. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding district bonds and interest on those bonds.

(b) Refunding bonds may:
   (1) be issued to refund bonds of more than one series;
   (2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or
   (3) be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest and any required redemption premium on the bonds to be refunded to or through any redemption date or through or on their maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

(f) An election is not required to authorize the issuance of refunding bonds.

(g) The district may also issue refunding bonds under any other applicable law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.212. OTHER REMEDIES AND COVENANTS. The resolution authorizing the issuance of district bonds, including refunding bonds, or the trust indenture securing the bonds, may provide other
remedies and covenants the board considers necessary to issue the bonds on the most favorable terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.213. LIMITATION ON RIGHTS OF BONDHOLDERS. The resolution authorizing the bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

Sec. 11007.214. BONDS EXEMPT FROM TAXATION. A district bond, the transfer of the bond, and the income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.07, eff. April 1, 2017.

CHAPTER 11010. ALLIANCE REGIONAL WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 11010.001. DEFINITIONS. In this chapter:
(1) "Authority" means the Alliance Regional Water Authority.
(2) "Board" means the board of directors of the authority.
(3) "Director" means a member of the board.
(4) "District" means any district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, regardless of the manner of creation.
(5) "Local government" means:
   (A) a municipality, county, district, or other political subdivision of this state;
   (B) a local government corporation;
   (C) a nonprofit corporation created to act on behalf of
a local government; or

(D) a combination of two or more of the entities described by this subdivision.

(6) "Private entity" includes an individual, corporation, organization, business trust, estate, trust, partnership, and association and any other legal entity that is not a governmental body or agency.

(7) "Sponsor" means:

(A) the City of Kyle;
(B) the City of San Marcos;
(C) the City of Buda;
(D) the Canyon Regional Water Authority; and
(E) any other local government or private entity added to the authority as a sponsor under Section 11010.005.

(8) "Water" includes:

(A) groundwater, percolating or otherwise, notwithstanding the quality of the groundwater;
(B) any surface water, naturally or artificially impounded or in a navigable or nonnavigable watercourse; and
(C) municipal wastewater or industrial wastewater, including municipal wastewater or industrial wastewater that has been treated to a quality suitable for reuse for a beneficial use.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.002. NATURE OF AUTHORITY. The authority is a regional water authority in Bexar, Caldwell, Comal, Guadalupe, and Hays Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The authority is created to serve a public use and benefit.

(b) All land and other property included in the territory of the authority will benefit from the works and projects to be accomplished by the authority under powers conferred by Section 59,
Article XVI, Texas Constitution, and powers granted under this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.004. AUTHORITY TERRITORY. (a) The authority is composed of the territory:
   (1) of the sponsors, including territory within the municipal boundaries of a sponsor that is a municipality;
   (2) located in the service areas of the sponsors as provided by the sponsors' respective certificates of convenience and necessity; and
   (3) added to and not excluded from the authority in accordance with applicable law.

(b) Territory added to the authority may be in a county other than a county listed in Section 11010.002.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.005. METHOD OF ADDING SPONSORS. (a) The governing body of a local government or a private entity, including a water supply corporation, may petition the board to add that local government or private entity as a sponsor.

(b) A petition under Subsection (a) must be submitted in the manner and form required by board rule.

(c) On receipt of a petition under Subsection (a), the board shall set a hearing on the petition and provide notice of the date, time, place, and purpose of the hearing to:
   (1) the sponsors of the authority; and
   (2) the petitioning local government or private entity.

(d) At the hearing, the board shall determine whether:
   (1) the local government or private entity will benefit from being added to the authority as a sponsor; and
   (2) it is in the best interest of the authority to add the local government or private entity to the authority as a sponsor.

(e) If, after a hearing on the petition, the board determines that the local government or private entity should be added to the
authority as a sponsor, the board shall issue an order:

(1) adding the local government or private entity to the authority;
(2) adding the local government's or private entity's territory or service area to the territory of the authority;
(3) making the local government's or private entity's territory or service area subject to the privileges, duties, assets, and financial obligations of the authority to the same degree as other sponsors already included in the authority; and
(4) stating the proposed effective date of the order.

(f) An order issued under Subsection (e) takes effect on the proposed effective date except as otherwise provided by this section. If the subject of the order is a local government, the proposed effective date must allow enough time for the local government to comply with Subsections (g) and (h).

(g) A local government that is the subject of an order issued under Subsection (e) shall publish notice of the authority's proposal to add the local government to the authority as a sponsor. The notice must:

(1) be published in a newspaper of general circulation in the county in which the local government is located;
(2) be published at least once per week for two consecutive weeks and with the first publication appearing on or before the 14th day before the proposed effective date of the order;
(3) state the proposed effective date of the order adding the local government to the authority as a sponsor; and
(4) include information regarding the right of the local government's voters to petition the governing body of the local government to call an election on the question of authorizing the addition of the local government to the authority as a sponsor and the method of making the petition.

(h) If the governing body of the local government, before the proposed effective date of the order, receives a petition calling for an election on the question of authorizing the addition of the local government to the authority as a sponsor that is signed by at least 10 percent of the local government's registered voters, the governing body shall order a special election on the question. Section 41.001(a), Election Code, does not apply to an election ordered under this subsection.

(i) On receipt of a qualifying petition under Subsection (h),
the effective date of the order issued under Subsection (e) is suspended until after the date of the election and the governing body of the local government shall notify the board of the petition and suspension.

(j) If a majority of voters voting in an election held under this section vote in favor of the addition of the local government to the authority as a sponsor, the order issued under Subsection (e) takes effect on the date the result is declared. If a majority of voters voting in the election vote against the addition of the local government to the authority as a sponsor, the order issued under Subsection (e) is ineffective.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.006. METHOD OF REMOVING SPONSORS. (a) The governing body of a local government or private entity that is a sponsor of the authority may petition the board to be removed from the authority as a sponsor.

(b) A petition under Subsection (a) must be submitted in the manner and form required by board rule.

(c) After receiving a petition under Subsection (a), the board shall decide whether the petitioning sponsor should be removed from the authority as a sponsor and shall by order approve, conditionally approve, or disapprove the petition.

(d) The board may not approve a petition submitted to the board under this section if that action would impair or violate or conflict with the terms of any outstanding bonds, notes, or other obligations of the authority.

(e) An order issued under Subsection (c) that approves or conditionally approves a sponsor's petition to be removed from the authority as a sponsor must address:

(1) all matters related to the removal as determined by the board, including the removal of the territory of the sponsor and territory located in the service area of the sponsor as provided by the sponsor's certificate of convenience and necessity; and

(2) if applicable, any conditions imposed by the board that the petitioning sponsor must satisfy before the board approves the petition, which may include:
(A) payment by the petitioning sponsor of all bonds, notes, or other obligations issued by the authority on behalf of the sponsor;

(B) payment by the petitioning sponsor of the sponsor's pro rata share of any bond, note, or other obligation issued by the authority, other than the bonds, notes, or other obligations described by Paragraph (A), if the payment is allowed under the terms of the bond, note, or other obligation;

(C) conditions related to the ownership or transfer of ownership of real property, facilities, equipment, personnel, and supplies; and

(D) conditions the authority considers necessary for the winding up of activities in connection with the removal of the petitioning sponsor as a sponsor from the authority.

(f) If the board by order conditionally approves a sponsor's petition under Subsection (c), the petitioning sponsor remains a sponsor and shall make all payments owed to the authority when due and shall satisfy all conditions included in the order. The board shall approve the petition immediately after all required payments to the authority are received and all conditions included in the order are satisfied as determined by the board.

(g) The removal of a local government or private entity from the authority as a sponsor under this section does not prohibit the local government or private entity from contracting with the authority for the provision of water supply, wastewater treatment, or other services provided by the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.007. REAPPORTIONMENT OF DIRECTORS. After the addition or removal of a sponsor under this subchapter, the board by rule shall reapportion the directors of the authority among the sponsors in accordance with Section 11010.051(c)(2). The board may increase or decrease the number of directors on the board in accordance with Section 11010.051(a).

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.
Sec. 11010.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 11010.051. DIRECTORS. (a) The authority is governed by a board of directors consisting of at least 7 and not more than 17 members.

(b) The board is responsible for the management, operation, and control of the authority.

(c) The board by rule shall:

(1) establish the number of directors of the authority; and

(2) apportion the directors for each sponsor based on the amount of water contracted to be supplied to the sponsor under the terms of the authority's water supply contract with the sponsor, subject to Section 11010.053(a).

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.052. ELIGIBILITY TO SERVE AS DIRECTOR. (a) To be eligible to serve as a director, a person must be:

(1) at least 18 years of age; and

(2) a resident of the territory located in the authority or an employee of a sponsor.

(b) A director who also serves on the governing body of a sponsor is not a dual officeholder and is not prohibited by the common law doctrine of incompatibility from serving on both the board and the governing body.

(c) Service on the board by a public officeholder is an additional duty of that person's office.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.053. APPOINTMENT OF DIRECTORS. (a) Each sponsor is
entitled to appoint at least one director.

(b) Each director must be appointed by the governing body of a sponsor in accordance with the rules adopted under Section 11010.051 that govern the apportionment of directors among the sponsors.

(c) Directors must be appointed not earlier than April 1 and not later than April 30 of each year.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.054. TERMS OF OFFICE. (a) Directors serve staggered three-year terms, with one-third or as near as possible to one-third of the members' terms expiring April 30 of each year.

(b) A director's term begins on May 1 of the year the director is appointed.

(c) A director may not serve more than five consecutive terms as a director.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.055. REMOVAL OF DIRECTOR. A sponsor that appoints a director may remove the director from office at any time, with or without cause.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.056. BOARD VACANCY. If there is a vacancy on the board, the governing body of the sponsor that appointed the director who vacated the office shall appoint a director to serve the remainder of the term.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.057. VOTING AUTHORITY. Each director is entitled to
one vote on any issue before the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.058. OFFICERS. At the first meeting of the board after May 1 of each year, the board shall elect officers for the authority, including a chair, vice chair, secretary, and treasurer.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.059. MEETINGS AND ACTIONS OF BOARD; QUORUM. (a) The board may meet as many times each year as the board considers appropriate.

(b) A majority of the membership of the board constitutes a quorum at a meeting of the board.

(c) A concurrence of a majority of the directors present and voting is sufficient for transacting any business of the authority unless other applicable law, or the authority by rule, requires a concurrence of a greater number of directors for a specific type of decision.

(d) Directors of the authority are public officials and are entitled to governmental immunity for their actions in their capacity as directors and officers of the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 11010.101. GENERAL POWERS AND DUTIES. (a) The authority may:

(1) acquire, purchase, own, hold, lease, construct, improve, and maintain a reservoir, groundwater well, or other source of water supply, including:

(A) groundwater, surface water, and wastewater reused directly or indirectly; and

(B) aquifer storage and recovery facilities;
(2) acquire, own, construct, operate, repair, improve, maintain, or extend, inside or outside the authority's boundaries, water and wastewater works, improvements, facilities, plants, pipelines, equipment, and appliances for:
   (A) the treatment and transportation of water and wastewater;
   (B) the direct or indirect reuse of wastewater;
   (C) aquifer storage and recovery projects; and
   (D) the provision of wholesale water and wastewater services to authority customers, municipalities, districts, water supply corporations, and other persons in this state;

(3) acquire, purchase, own, hold, lease, and maintain interests, including capacity rights and other contractual rights, in sources of water supply, reservoirs, groundwater wells, water and wastewater systems, treatment works, improvements, facilities, plants, equipment, appliances, aquifer storage and recovery projects, and the direct or indirect reuse of wastewater;

(4) finance any purchase or acquisition through a bond, note, or other obligation under Subchapter E, or through a lease-purchase agreement; and

(5) sell, lease, convey, or otherwise dispose of any right, interest, or property the authority considers to be unnecessary for the efficient operation or maintenance of the authority's facilities.

(b) In addition to the powers specifically provided by this chapter, the authority may exercise the powers provided by Section 65.201, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.102. AUTHORITY POLICIES, RULES, AND BYLAWS. The authority may adopt and enforce policies, rules, and bylaws reasonably required to implement this chapter, including rules governing procedures before the board and rules regarding implementation, enforcement, and any other matters related to the exercise of the rights, powers, privileges, and functions conferred on the authority by this chapter for the provision of water and wastewater service.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff.
Sec. 11010.103. EMINENT DOMAIN. (a) The authority may exercise the power of eminent domain to acquire a fee simple or other interest in property if the interest is necessary for the authority to exercise the rights or authority conferred by this chapter.

(b) The authority shall exercise the right of eminent domain in the manner provided by Chapter 21, Property Code. The authority is not required to give bond for appeal or bond for costs in a condemnation suit or other suit to which it is a party.

(c) The authority may not use the power of eminent domain for the condemnation of land for the purpose of acquiring rights to groundwater or for the purpose of acquiring water or water rights.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.104. WATER CONSERVATION OR DROUGHT CONTINGENCY PLANS. The authority by rule may develop, prepare, revise, adopt, implement, enforce, and manage water conservation or drought contingency plans for the authority or any portion of the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.105. SPONSOR CONVEYANCES AND ACQUISITIONS. (a) In this section, "utility system" has the meaning assigned by Section 1502.001, Government Code.

(b) A sponsor may convey a utility system facility or asset or the sponsor's interest in a utility system facility or asset to the authority without holding an election to approve the conveyance.

(c) A sponsor is exempt from the provisions of Chapter 1502, Government Code, regarding the conveyance, sale, or acquisition of a utility system, or any related works, improvements, facilities, plants, equipment, or appliances.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.
Sec. 11010.106. CONTRACTS. (a) The authority may contract with any person to carry out a power authorized by this chapter.

(b) A person who enters into a contract with the authority may pledge to the payment of the contract any source of revenue that may be available to the person, including ad valorem taxes, if the person has the authority to impose those taxes.

(c) Payments made under a contract with the authority constitute an operating expense of the person served under the contract, unless otherwise prohibited by a previously outstanding obligation of the person. To the extent a person pledges funds to the payment of the contract that are to be derived from the person's own water system, the payments constitute an operating expense of that system.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.107. COOPERATIVE CONTRACTS. The authority may enter into an interlocal contract with a local government under Chapter 791, Government Code, to carry out a power of the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.108. RATES AND FEES. (a) The authority shall establish rates and fees to be assessed against sponsors and customers of the authority. The rates and fees may be established by classes of customers, by project, or by area of service.

(b) A sponsor, local government, water supply corporation, private entity, or other person that contracts with the authority shall establish, charge, and collect fees, rates, charges, rentals, and other amounts for any service or facility provided under or in connection with a contract with the authority and shall pledge sufficient amounts to make all payments required under the contract.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 11010.151. AD VALOREM TAXES PROHIBITED. The authority may not impose an ad valorem tax.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.152. GIFTS, GRANTS, LOANS, AND OTHER FUNDS. The authority may apply for, accept, receive, and administer gifts, grants, loans, and other funds available from any source.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

SUBCHAPTER E. BONDS, NOTES, AND OTHER OBLIGATIONS

Sec. 11010.201. REVENUE BONDS, NOTES, AND OTHER OBLIGATIONS.

(a) In addition to bonds, notes, and other obligations that the authority is authorized to issue under other law, to accomplish the purposes of the authority, the authority may issue bonds, notes, or other obligations payable solely from and secured by all or part of any funds or any revenue from any source or sources, including:

(1) fees, rates, and other charges the authority imposes or collects;
(2) the sale of:
  (A) water;
  (B) water or wastewater services;
  (C) water rights or capacity;
  (D) water transmission rights, capacity, or services;
  (E) water pumping;
  (F) wastewater reused directly or indirectly;
  (G) aquifer storage and recovery services;
  (H) sewer services; or
  (I) any other service or product of the authority provided inside or outside the boundaries of the authority;
(3) grants or gifts;
(4) the ownership or operation of all or a designated part of the authority's works, improvements, facilities, plants, or
equipment; and

(5) the proceeds of contracts.

(b) Bonds, notes, or other obligations issued by the authority may be first or subordinate lien obligations at the board's discretion.

(c) In connection with any bonds, notes, or other obligations of the authority, the authority may exercise any power of an issuer under Chapter 1371, Government Code.

(d) The authority may conduct a public, private, or negotiated sale of the bonds, notes, or other obligations.

(e) The authority may enter into one or more indentures of trust to further secure its bonds, notes, or other obligations.

(f) The authority may issue bonds, notes, or other obligations in more than one series as necessary to carry out the purposes of this chapter. In issuing bonds, notes, or other obligations secured by revenue of the authority, the authority may reserve the right to issue additional bonds, notes, or other obligations secured by the authority's revenue that are on parity with or are senior or subordinate to the bonds, notes, or other obligations issued earlier.

(g) A resolution of the board or a trust indenture securing the bonds, notes, or other obligations may specify additional provisions that constitute a contract between the authority and the authority's bondholders, noteholders, or other obligation holders.

(h) Bonds, notes, or other obligations may be additionally secured by deed of trust or mortgage on any or all of the authority's facilities.

(i) The authority provided by this chapter for the authorization and issuance of bonds, notes, and other obligations is in addition to, and not in lieu of, the authority otherwise established under general law and may not be construed as a limitation on, or a modification of, general law providing for authorization and issuance of bonds, notes, and other forms of obligations. Nothing in this chapter may be construed as affecting any existing contract, bond, note, or other obligation of the authority or any indenture, covenant, mortgage, or other agreement relating to them.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.
Sec. 11010.202. ELECTION NOT REQUIRED. The authority is not required to hold an election to approve the issuance of revenue bonds or notes or of other obligations under this subchapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.203. USE OF REVENUE AND GROWTH PROJECTIONS. For the purposes of attorney general review and approval and in lieu of any other manner of demonstrating the ability to pay debt service and satisfy any other pecuniary obligations relating to bonds, notes, or other obligations, the authority may demonstrate the authority's ability to satisfy the debt service and those obligations using accumulated funds of the authority and revenue and growth projections prepared by a professional utility rate consultant at the direction of the authority. If the resolution authorizing the issuance of the bonds, notes, or other obligations provides that the authority intends to increase rates to the extent necessary to pay debt service and satisfy any other pecuniary obligations arising under the bonds, notes, or other obligations, the revenue projections prepared by a professional utility rate consultant may include forecast rate increases and accumulated and available fund balances as determined by the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.204. REFUNDING BONDS. The authority may issue refunding bonds, notes, and other obligations to refund any of its bonds, notes, or other obligations in any manner provided by law, including Chapter 1207, Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff. June 15, 2017.

Sec. 11010.205. BONDS, NOTES, AND OTHER OBLIGATIONS EXEMPT FROM TAXATION. A bond, note, or other obligation issued under this chapter, a transaction related to the bond, note, or other
obligation, the interest on the bond, note, or other obligation, and
the profit from the sale of the bond, note, or other obligation are
exempt from taxation by this state or a political subdivision of this
state.

Added by Acts 2017, 85th Leg., R.S., Ch. 806 (S.B. 1198), Sec. 2, eff.

CHAPTER 11011. THE WOODLANDS TOWNSHIP

Sec. 11011.001. DEFINITION. In this chapter, "district" means
The Woodlands Township.

Added by Acts 2017, 85th Leg., R.S., Ch. 592 (S.B. 1014), Sec. 5, eff.

Sec. 11011.002. LAW GOVERNING DISTRICT. The district is
governed by this chapter and Chapter 289, Acts of the 73rd

Added by Acts 2017, 85th Leg., R.S., Ch. 592 (S.B. 1014), Sec. 5, eff.

Sec. 11011.003. DISSOLUTION OF DISTRICT. (a) If at least 99
percent of the territory of the district is incorporated and the
district is dissolved in the manner provided by Section 14A, Chapter
289, Acts of the 73rd Legislature, Regular Session, 1993, only the
following sections of Chapter 289, Acts of the 73rd Legislature,
Regular Session, 1993, apply to the municipality in addition to any
applicable general law provisions, a reference in those sections to
the district means the municipality, and a reference in those
sections to the board or board of directors means the governing body
of the municipality:

(1) Sections 6(a) and (c);
(2) Sections 7(a), (b), (c), (e), (f), (g), (h), (i), (j),
(l), (n), (o), (p), (q), (r), (t), (u), (v), (w), (y), (z), and (aa);
(3) Section 7H;
(4) Sections 9(h)(3), (4), and (5);
(5) Section 11;
(6) Section 11A;
(7) Section 11B;
(8) Section 11B-1;
(9) Section 11C;
(10) Sections 12A(a), (c), (d), (e), and (f); and
(11) Section 13.

(b) The remaining provisions of Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, do not apply to the municipality after the dissolution of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 592 (S.B. 1014), Sec. 5, eff. June 9, 2017.